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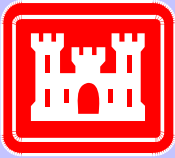
# **Camp Navajo Northern Arizona Multimodal Facility Volunteer Mountain Industrial Park EUL**

## ***INDUSTRY FORUM***

Radisson Woodlands Hotel  
1175 West Route 66  
Flagstaff, AZ 86001

**January 31, 2006**





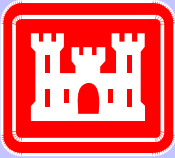
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# Topics



- **Agenda**
- **Overview**
- **EUL Opportunity**
- **Site Tour**
- **Wood Processing**
- **EUL Program & Procurement**
- **Q & A**
- **Conclusion**

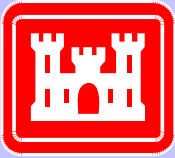




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# Agenda

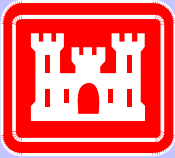


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# Agenda



0800—0900	Registration and Continental Breakfast	
0900—0920	Introductions and Announcements	Jay Brown, A&M
0920—0930	Welcome	General Maxon, AZARNG
0930—1015	Overview of Camp Navajo and Greater Flagstaff	LTC Tosi, Camp Navajo
		Stephanie McKinney, GFEC
		Jaye O'Donnell AZDC
1015—1100	EUL Opportunity	Jay Brown, A&M
		Skip Kalb, BNSF
		Don Breazeale
1100—1230	TOUR OF SITE	
1230—1330	LUNCH	
1330—1400	End User—Small Wood Processing	Steve Gatewood, GFFP
1400—1430	Department of Defense EUL Program	Diane Vosick, NAU
1430—1500	Procurement Process	Bob Penn, USACE
1500—1515	BREAK	Rod Chavez. USACE
1515—1545	Panel/Q&A Session	
1545—1600	Adjournment	

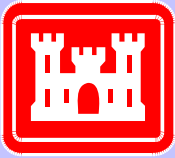


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# Introductions and Announcements



**Jay Brown, Managing Director, Alvarez & Marsal**



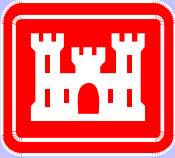
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# Welcome



## **Brigadier General Richard Maxon, The Assistant Adjutant General -- Army**

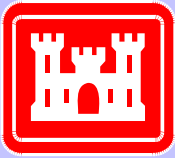




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# Overview



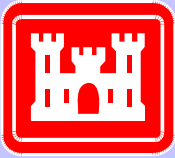
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# Overview



- **Camp Navajo**
- **Greater Flagstaff Community Profile,  
Greater Flagstaff Economic Council**
- **Advantages of Doing Business in Arizona,  
Arizona Department of Commerce**





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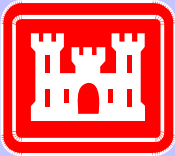


# Camp Navajo

## Welcome to Camp Navajo and Northern Arizona



**LTC Pete Tosi, Garrison Commander  
Camp Navajo**

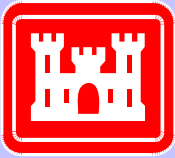


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# Camp Navajo Location



- Camp Navajo is located 12 miles west of Flagstaff, Arizona, directly south of Interstate 40 and the Burlington Northern Santa Fe rail line.
- It occupies over 28,000 acres (44 square miles) of land.



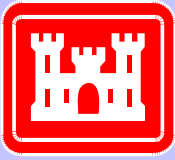
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# Camp Navajo Chain of Command



- **State of Arizona**
  - **The Honorable Janet Napolitano, Governor, State of Arizona**
- **Arizona National Guard**
  - **Major General David Rataczak, The Adjutant General, Arizona National Guard**
  - **Brigadier General Richard Maxon, The Assistant Adjutant General-Army**
  - **Major (Ret) Harry Rising, Camp Navajo Liaison Officer**
- **Camp Navajo**
  - **Lieutenant Colonel Peter Tosi, Camp Navajo Garrison Commander**
  - **Lieutenant Colonel (Ret) Tim Cowan, Civilian Executive Assistant to Garrison Commander**
  - **Director for Administration**
  - **Director for Operations**
  - **Facility Engineer**





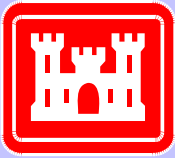
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# Camp Navajo Background/History



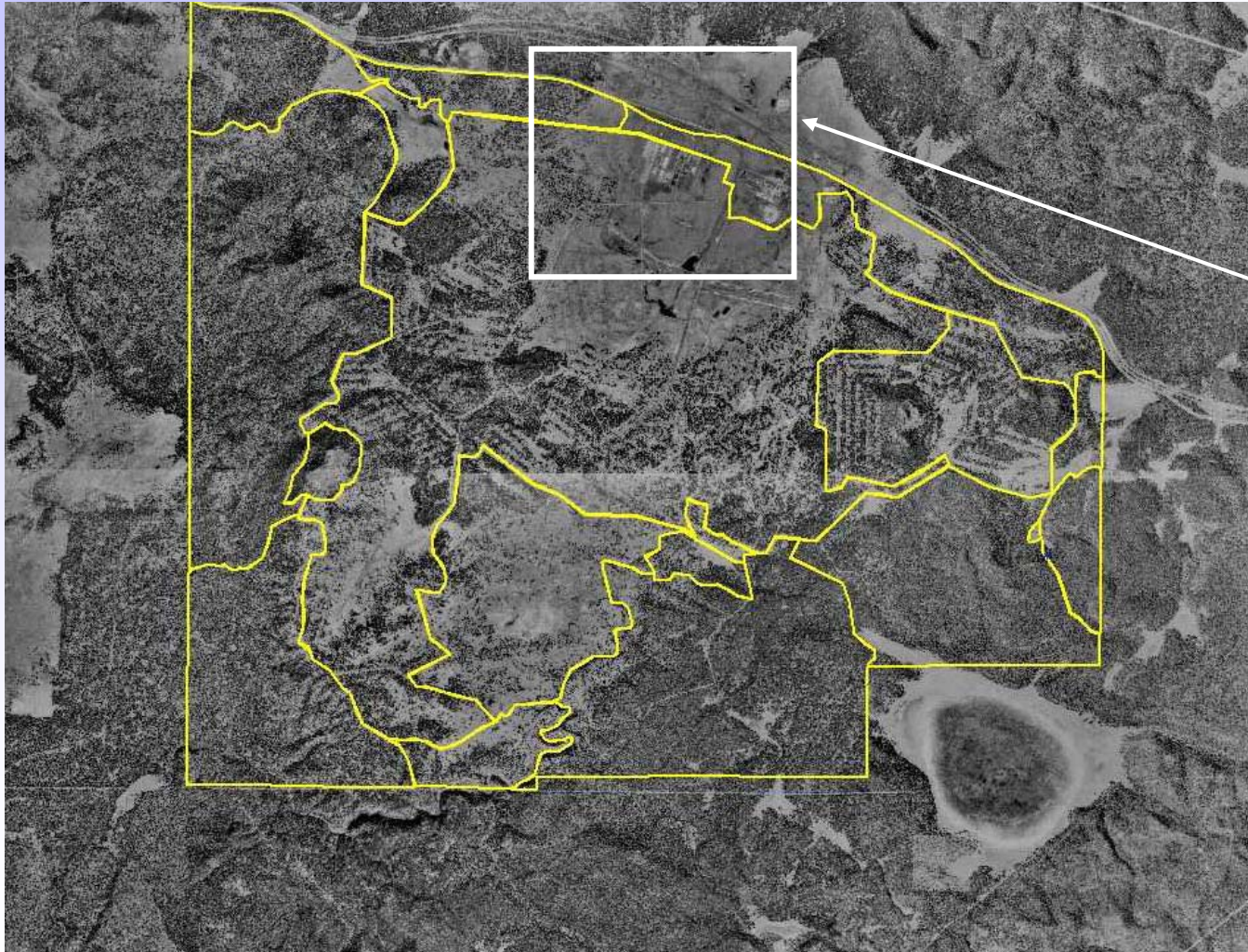
- **Constructed in 1942**
- **Continuous operation through 1<sup>st</sup> Gulf War**
- **Selected for closure of active Army mission in 1988**
- **Property licensed to Arizona National Guard for Training Site in 1993**
- **The Federal Government allows the State of Arizona to operate the depot to generate revenues for operation of the installation. Customers include federal and state governments and compatible commercial activities**





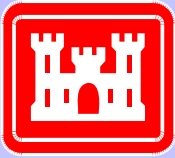
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# Aerial Photo of Camp Navajo



See Aerial  
Close-Up  
Next Page



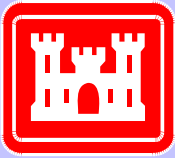


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# Aerial Close-up EUL Site



ALVAREZ & MARSAL  
REAL ESTATE ADVISORY SERVICES, LLC



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# Camp Navajo Missions

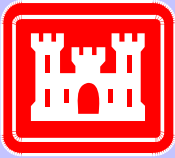


## Camp Navajo's Missions are to:

- **Operate a Training Site for the Arizona Army National Guard (AZARNG)**
- **Conduct a storage (industrial) operation to support the training site and operate the facility infrastructure**

**Camp Navajo operates strictly on internally generated revenue. No appropriated funds are permitted to be used to support the facility under Federal Law (PL-100-526, BRAC closing 1988).**





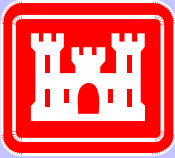
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# Camp Navajo Training Mission



- **600 person facility—40,000 to 50,000 overnight stays per year**
- **17,000 acre maneuver area**
  - Land Navigation (Map and Compass) Course
  - Rifle Range Complex
  - Obstacle Course

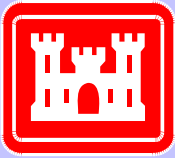




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# Camp Navajo Training Facility





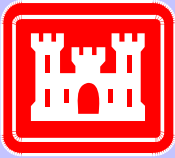
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# Camp Navajo Storage Mission



- **11,000 acres in ammunition storage area**
- **2.3 million square feet of explosive and general warehouse storage space**
- **\$5 billion in stored assets**
- **\$7.5 million per year in revenues**
- **Primary niche is large rocket motors**
- **Subject to inspection under the Strategic Arms Reduction Treaty**

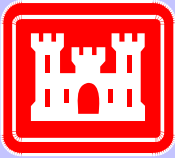




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# Camp Navajo Storage Igloos





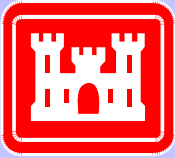
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# Camp Navajo Infrastructure



- **38 miles of rail**
- **227 miles of road**
- **Self contained water source, filtration plant and distribution system—288,000 gals per day production capability**
- **Self contained waste water treatment plant and collection system—90,000 gals per day capacity**
- **14.1 megawatt APS substation on site**
- **Cingular tower on site**
- **T1 capability**



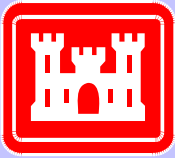


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# Camp Navajo Operations Tenants



- **Current customers include multiple Department of Defense and other government agencies with requirements to store various commodities**
- **Some commercial customers are also accommodated who have storage requirements related to DoD contracts**

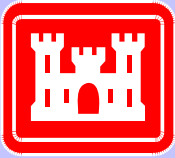


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# Camp Navajo Operations Tenants



- **Veterans Administration Clinic**
- **National Weather Service**



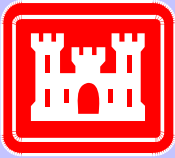
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# Neighboring Government Activities



- **Naval Observatory, Flagstaff**
- **US Geological Survey Office, Flagstaff**





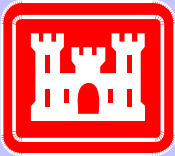
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# Greater Flagstaff Community Profile

**Stephanie McKinney, President**  
**Greater Flagstaff Economic Council**  
[www.gfec.org](http://www.gfec.org)





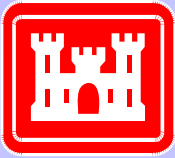
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# Flagstaff, AZ



- **Flagstaff, Arizona is located at the intersection of Interstate 17 and Interstate 40, and is the largest city in Northern Arizona.**
- **The city is also the regional center and county seat for Coconino County, which is the second largest county in the 48 contiguous states by area.**
- **The City of Flagstaff, becoming a town in 1894, incorporated as a city in 1928. Currently comprised of just over 64 square miles, it is set at the base of the San Francisco Peaks and surrounded by one of the largest pine forests on earth.**
- **Flagstaff drew its name from a very tall pine tree made into a flagpole in 1876 to celebrate our nation's centennial. At nearly 7,000 feet, Flagstaff is also one of the highest elevation cities in the United States.**





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# Reasons to Locate in N. AZ



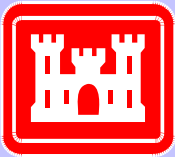
## Advantages of Locating in N. Arizona

- Accessibility to California & Southwest Markets
- Projected Growth Trends
- Educated Workforce
- Favorable Tax Environment (See Dept. of Commerce)

## Top Reasons Businesses Give for Not Locating in N. Arizona

- Cost/Availability of suitable buildings
- Cost/Availability of suitable land





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# Access to Southwestern Markets



## Approximate Driving Times from Flagstaff (hours)

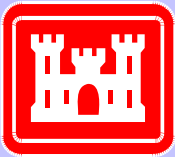
Phoenix, AZ	2
Tucson, AZ	3.5
Las Vegas, NV	4
Nogales, Mexico	4.5
Albuquerque, NM	5
Los Angeles, CA	7.5
El Paso, TX	9
Salt Lake City, UT	10.5
San Jose, CA	12

**Air Service daily from Flagstaff Pulliam  
Airport- US Airways to Phoenix.**

**Also served by BNSF railroad.**

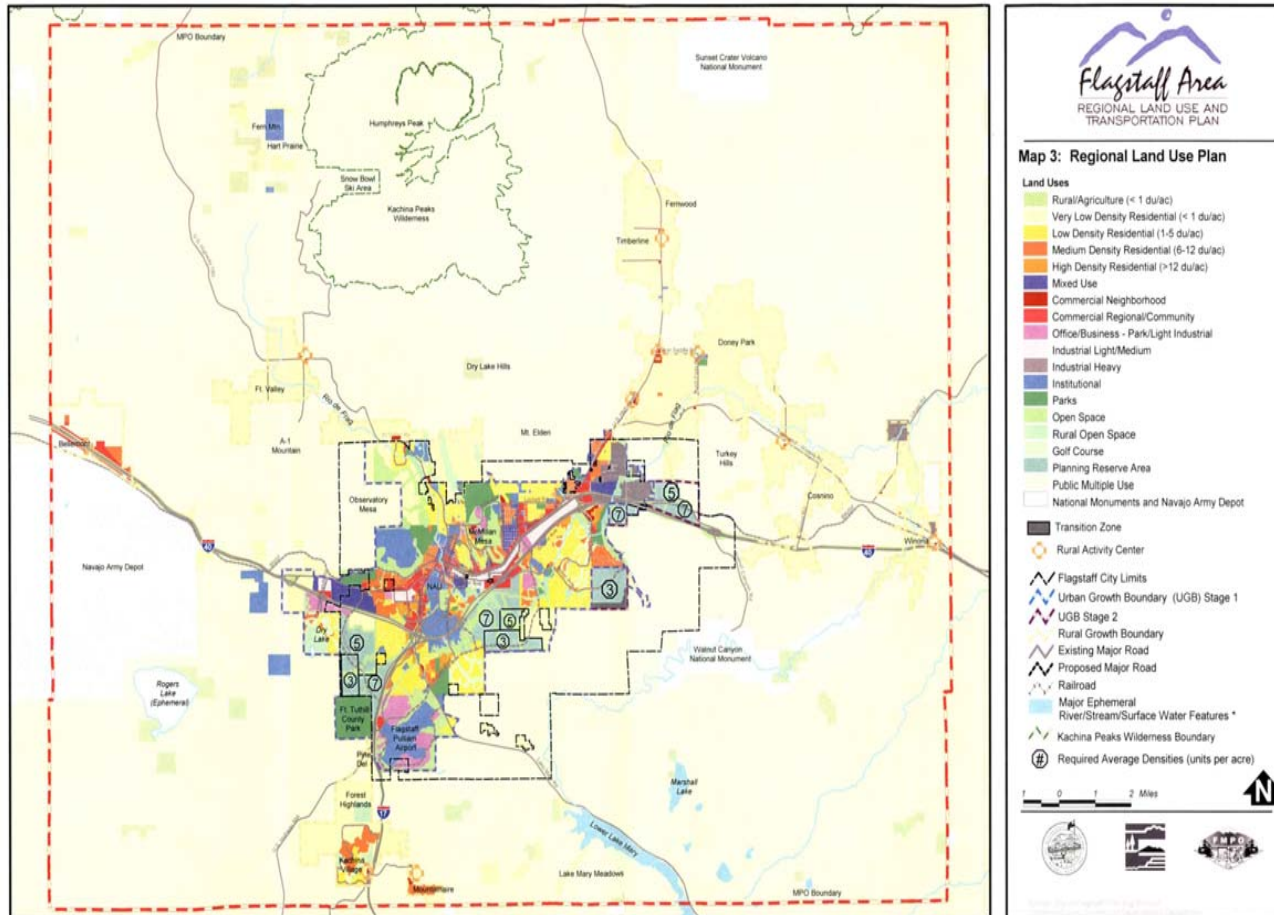
**AMTRAK-LA to Chicago.**

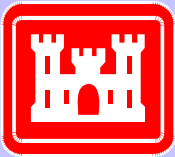




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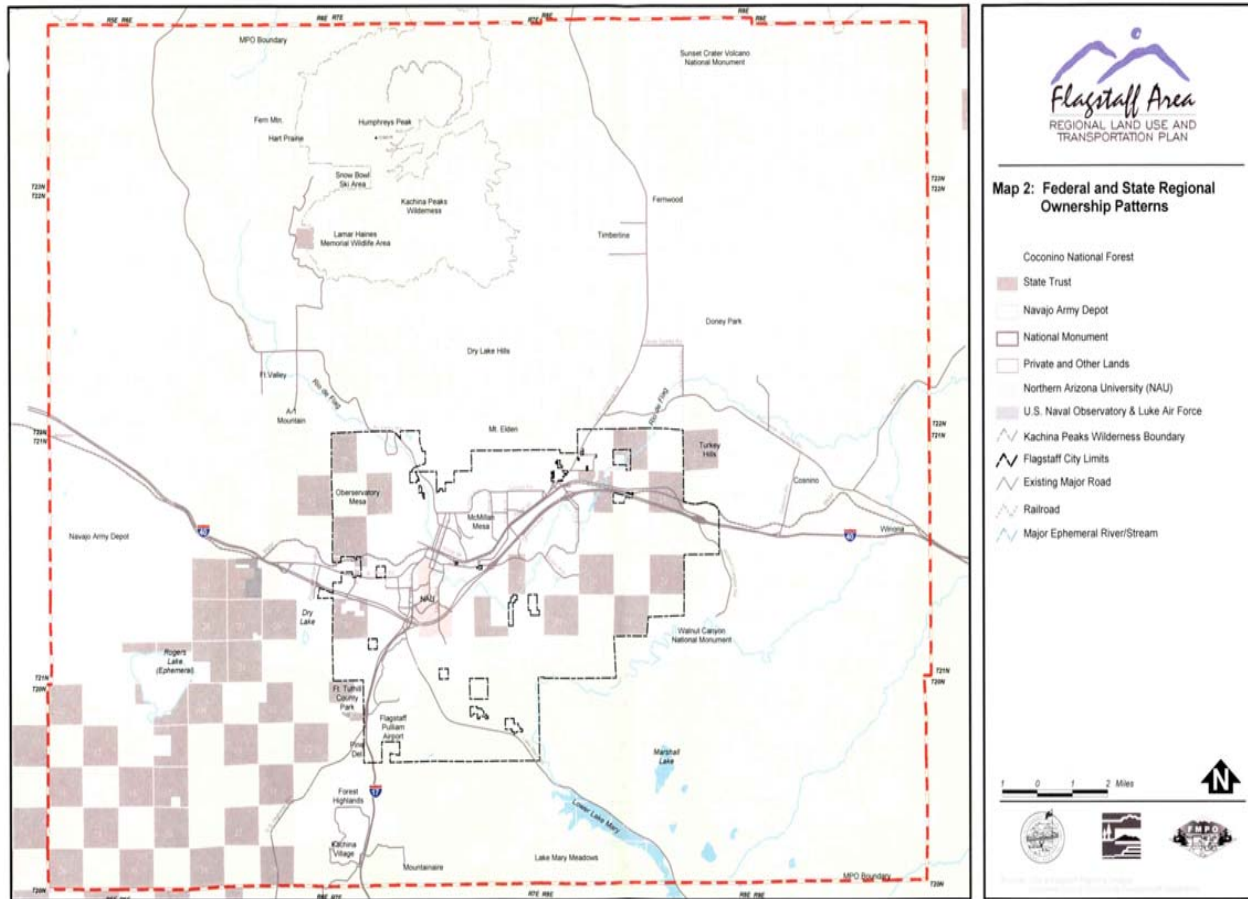
# Flagstaff Regional Land Use Plan

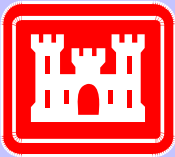




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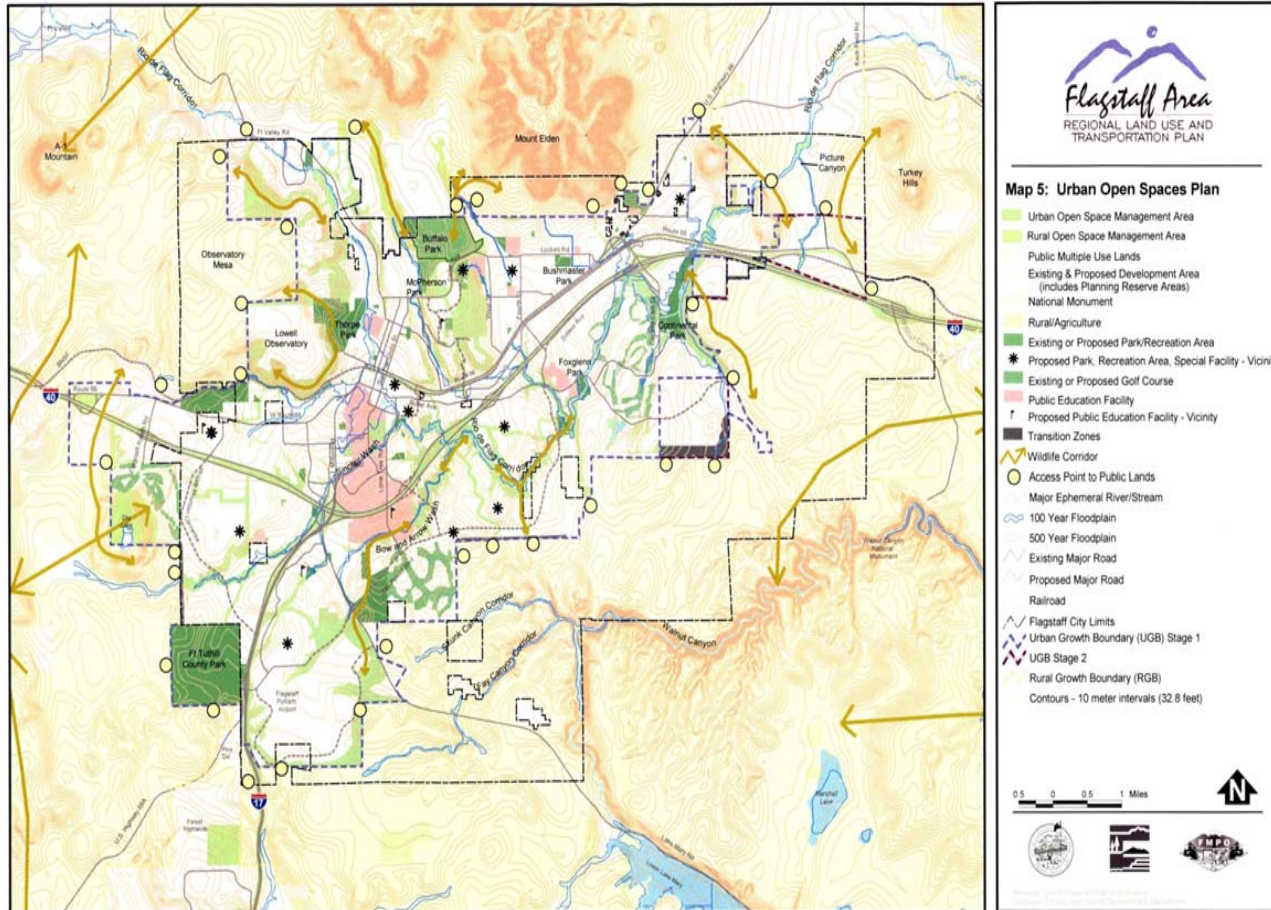
# Flagstaff Regional Land Ownership

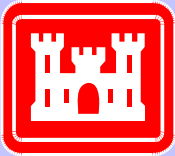




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# Flagstaff Urban Open Spaces





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# Regional Population Growth



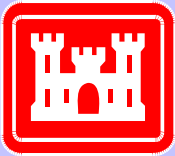
- Population growth is projected to increase.

Population	1990	2000	2004
Flagstaff	45,857	52,894	61,270
Coconino County	96,591	116,320	129,570
Arizona	3,665,228	5,130,632	5,832,150

Source: Arizona Department of Economic Security and US Census Bureau

Projected Growth	2010	2025
Coconino County	147,352	179,555
Arizona	6,145,108	7,993,039





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# Flagstaff Economic Trends



- **Flagstaff enjoys strong growth trends.**

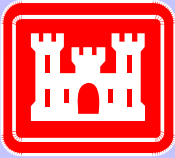
Growth Indicators	1990	2000	2004
Business Licenses	4,000 (est.)	5,440	7,475
Retail Sales	631,835,742	1,238,195,104	1,593,931,781
Primary Net Assessed Value	223,050,141	399,244,815	488,393,289

Source: AZ Department of Revenue; City of Flagstaff

Labor Force Data (Annual Average)	1990	2000	2004
Civilian Labor Force	26,111	34,589	37,051
Unemployed	1,604	1,582	1,773
Unemployment Rate	6.1%	4.6%	4.8%

Source: Arizona Department of Economic Security





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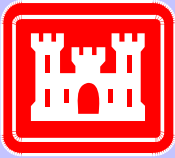
# 2004 Civilian Labor Force



- **Flagstaff has a young and adequate work force.**

	<b>Labor Force</b>	<b>Unemployment Rate</b>	<b>Median Age</b>
Arizona	2,762,612	4.8%	34
Coconino County	68,846	6.1%	30
Flagstaff	37,051	4.8%	27





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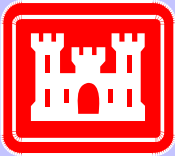
# Flagstaff Area Education & Workforce Training (con't)



- **Flagstaff has an educated work force.**

Education Level	Percentage
High School graduate	83.8%
Some college, no degree	27.4%
Associate degree	5.9%
Bachelor degree	24.4%
Graduate/Professional degree	15.1%





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# Flagstaff Area Education & Workforce Training



- Flagstaff's post-secondary institutions.

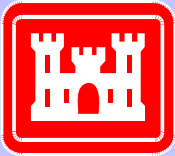
## Northern Arizona University

- Fall enrollment 19,147
- 95 Bachelor, 47 Master, 8 Doctorate, and 1 Professional degree programs
- 30 Undergraduate and 12 Graduate certificate programs

## Coconino Community College

- Fall enrollment was 4,380
- 33 associate degree programs
- 29 certificate programs
- Tech Prep Program
- Contract Training & Education Programs





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# Flagstaff Area Education & Workforce Training (con't)



## Flagstaff Unified School District

### Enrollment

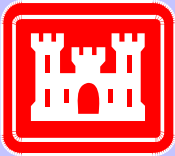
- Elementary 5,987
- Middle School 1,906
- High School 3,868
- Total 11,761

- 9 elementary schools
- 3 middle schools
- 2 alternative schools
- 5 magnet schools
- 3 high schools.
- Private & Charter Schools total enrollment, 1,750

## Coconino County Career Center

- Assisting over 100 people annually
- Fully funded internships
- On-the-job training cost assistance
- Staff Development Workshops
- Employment Success Seminars
- Job Fairs
- Recruitment assistance





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# Flagstaff Area's Major Employers

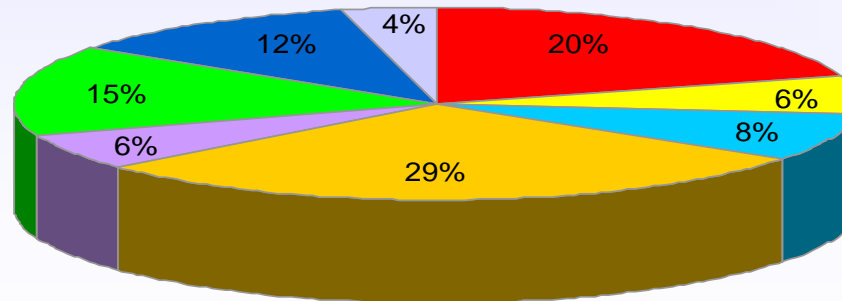


## Major Private Employers

Nestle Purina  
W.L. Gore & Associates  
SCA Tissue  
Sturmer and Klein  
Walgreens Distribution  
Joy Cone  
New England Business Services

## Major Public Employers

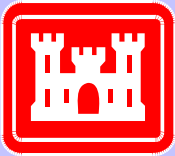
Coconino County  
Northern Arizona University  
City of Flagstaff  
Flagstaff Medical Center  
Flagstaff Unified School District  
U.S. Forest Service  
U.S.G.S.



■ Hospitality  
■ Professional/Finance/Business Services  
■ Manufacturing  
■ Education/Health

■ Natural Resources & Construction  
■ Government  
■ Transportation/Utilities  
■ Other





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# Recent Market Demand For Industrial Space



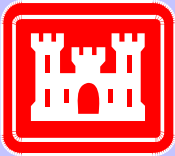
## TYPES OF PROJECTS

- **Manufacturers**
- **Distribution Centers**
- **Product Assembly**
- **Energy Generation**
- **Transportation**

## DESIRED CRITERIA

- **Avg. Square footage—75,000**
- **Avg. Acreage—21 Acres**
- **Avg. Timeframe—11-18 months**
- **Rail Served**
- **Interstate access**





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# Earned Media



Flagstaff, AZ  
2nd Best Place to Live  
2005



7th Best Performing  
City in US: Creating &  
Sustaining Jobs in 2004



Expansion management  
America's Hottest 50  
2004



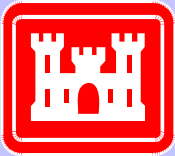
Flagstaff, AZ  
27th Best Small Places To  
Do Business

2005



FUSD  
Blue Ribbon School District  
2005





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# ADVANTAGES OF DOING BUSINESS IN NORTHERN ARIZONA

## ARIZONA DEPARTMENT OF COMMERCE

*Our Job is Jobs!*

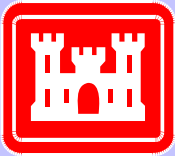
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### Business Development and Attraction

Jaye O'Donnell – Director

Bruce Coomer – Northern Arizona Manager





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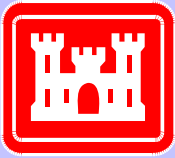


# Arizona Advantages

**Arizona offers numerous strategic advantages to businesses looking to relocate or expand their operations, such as:**

- **Stable and supportive business, tax, and regulatory policies**
- **Location—proximity to key markets, including California and Mexico**
- **Engaged educational institutions with active leadership**
- **Access to financing at all stages within the business cycle**
- **Growing and well educated workforce**





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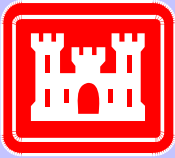
# Arizona Tax Advantages



**Arizona's stable and supportive tax base is well supported by a number of resources:**

- **Arizona's Worker Compensation Rates is the 3<sup>rd</sup> best in the U.S.**
- **Arizona rates 7<sup>th</sup> best Unemployment Insurance Rates**
- **Arizona's has a simple flat Corporate Tax Rate of 6.968% in 2005**
- **Arizona does not levy corporate franchise, business inventory or worldwide unitary taxes**





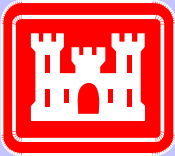
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# Arizona Tax Advantages (con't)



- **No “Throwback Tax”**
- **Arizona offers businesses the option to “Super-Weight” their sales factor**
- **Arizona is a right-to-work state**





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# Arizona Location Advantages



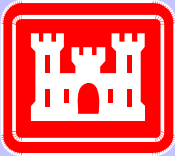
**Arizona's strategic location provides companies with access to global and west coast markets, while maintaining an affordable business location.**

**From Arizona, companies can:**

- **Service much of the country by truck in one day**
- **Access more than 6,000 miles of well-maintained highway and road network**
- **Achieve substantial savings through back haul rates**
- **Use Sky Harbor International Airport in Phoenix, which is the 5th busiest in the world, serves nearly 19 million passengers and transports more than 163 US tons of cargo a year**



***Our Job is Jobs!***



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# Arizona Demographic Advantages

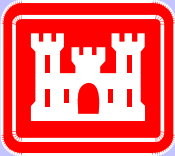


**Arizona offers businesses the opportunity to capitalize on the exceptional growth that is occurring in the Southwestern region of the United States.**

**Over the past several years, Arizona's population growth has outpaced the nation's by nearly 300%.**

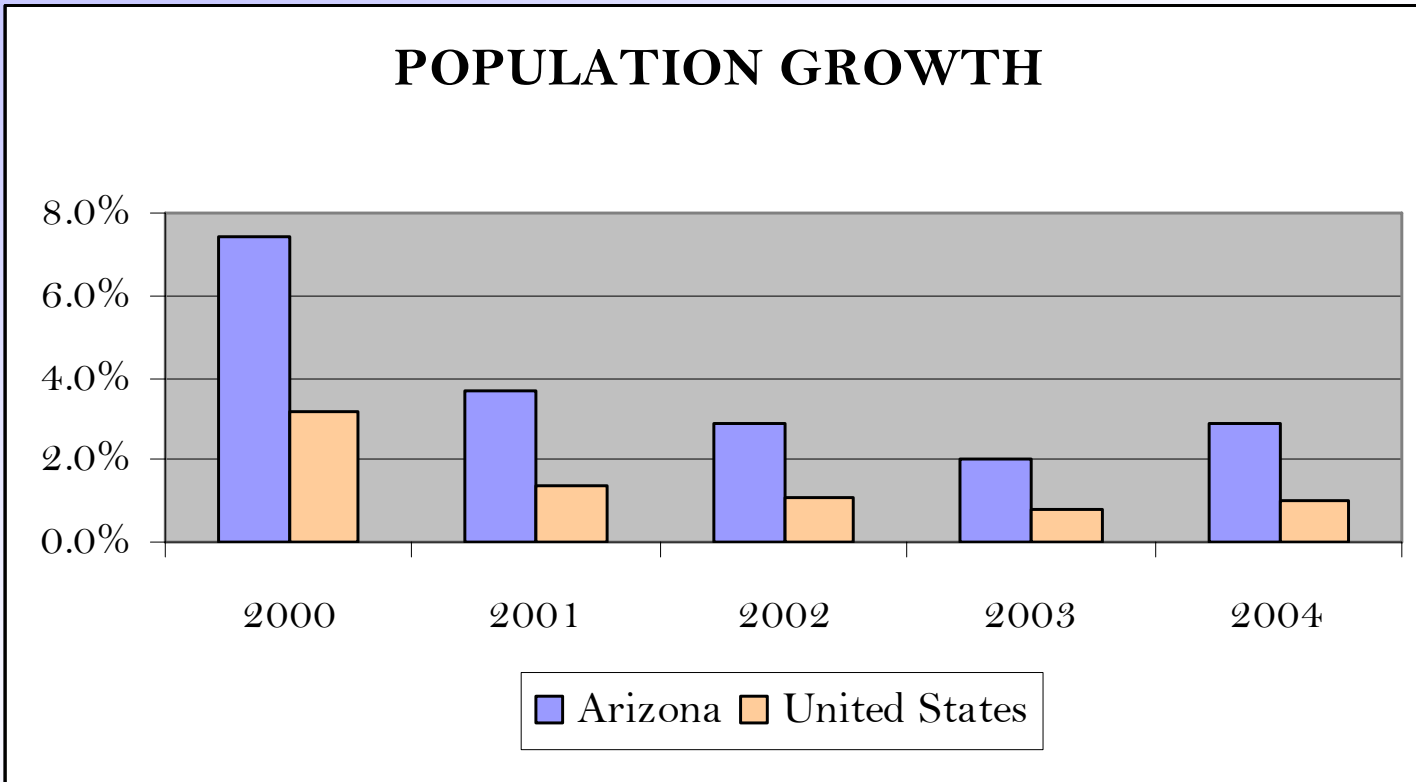
**Additionally, Arizona was the second fastest growing state during the 1990's, providing businesses with a deep labor pool and a strong economic market.**





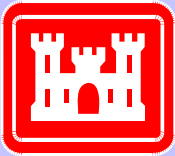
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# Arizona Demographic Advantages (con't)



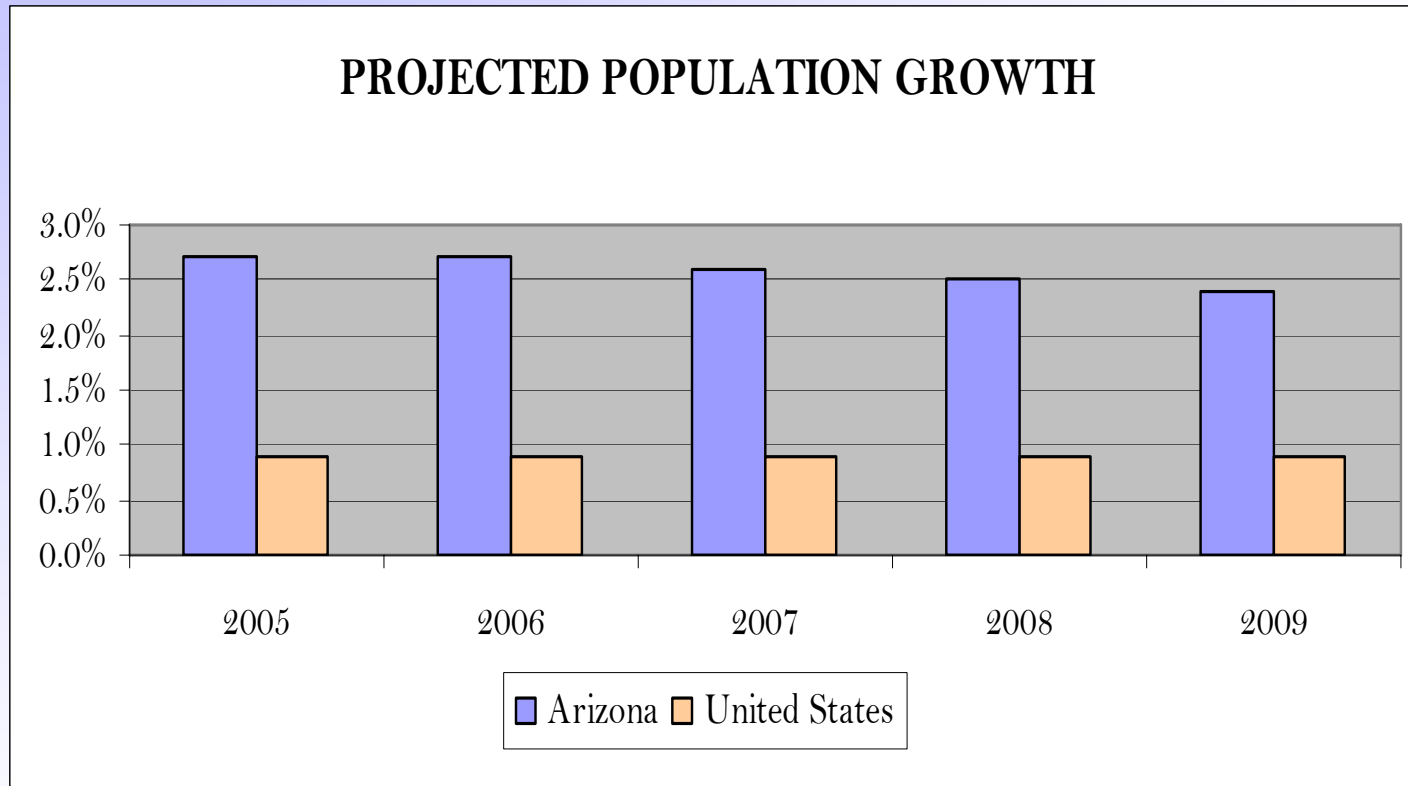
Source: US Census





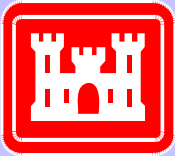
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# Arizona Demographic Advantages (con't)



Source: US Census





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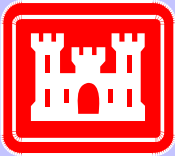
# Arizona Advantages: State Incentives



**In addition to Arizona's stable and competitive tax environment, the state is proud to offer a diverse portfolio of incentive programs such as:**

- **Enterprise Zones**
- **Foreign Trade Zones**
- **Military Reuse Zones**
- **Arizona Job Training Grants**
- **Economic Strength Program Grants**
- **Research & Development Tax Credits**





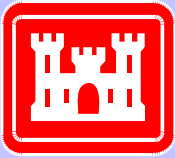
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# Arizona Advantages: State Incentives (con't)



- **Pollution Control Tax Credits**
- **Private Activity Bonds**
- **Accelerated Depreciation**
- **Healthy Forest Enterprise Program**
- **Motion Picture Production Program**
- **Small Business Venture Capital Program**





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# Arizona Department of Commerce



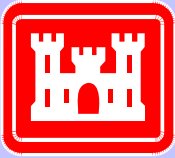
## Business Development & Attraction

**The Business Marketing & Attraction group within the Arizona Department of Commerce actively markets Arizona globally as the premier location of choice and assists those companies seeking site location assistance within Arizona.**

**The Business Development and Attraction division has three key areas of focus:**

- **Business Recruitment**
- **Business Expansion**
- **Marketing**





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# Business Development & Attraction

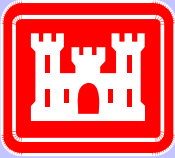


## Client Services

**Our team of business development specialist is able to provide the following services confidentially:**

- **Site Selection Assistance**
- **State Incentives**
- **Explanation of Permitting and Regulatory Process**
- **State and/or Region Overviews**
- **Custom Research**
- **Access to Government and Private Industry Leaders**





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# EUL Opportunity



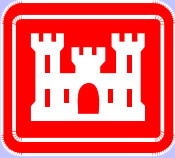
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# EUL Opportunity



- **Northern Arizona Industrial Park, Jay Brown**
- **Changing Logistics and Economic Development, Skip Kalb, Burlington Northern Santa Fe Railroad**
- **Northern Arizona Regional Freight Facility Market Analysis, Don Breazeale**





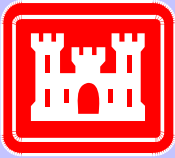
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# Northern Arizona Industrial Park

## EUL Opportunity

Jay Brown,  
Managing Director  
Alvarez & Marsal



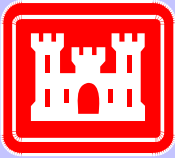
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# Project Goals

- **Develop a world class Industrial Park**
- **Opportunity for major manufacturing, distribution, and energy production**
- **In an area with high demand for industrial space and low supply of available land**
- **Multi-modal freight forwarding opportunities**
- **Located on a secure military installation**
- **Allow AZARNG to utilize in-kind consideration generated by the project to enhance the quality of life for those working at and serving the installation**





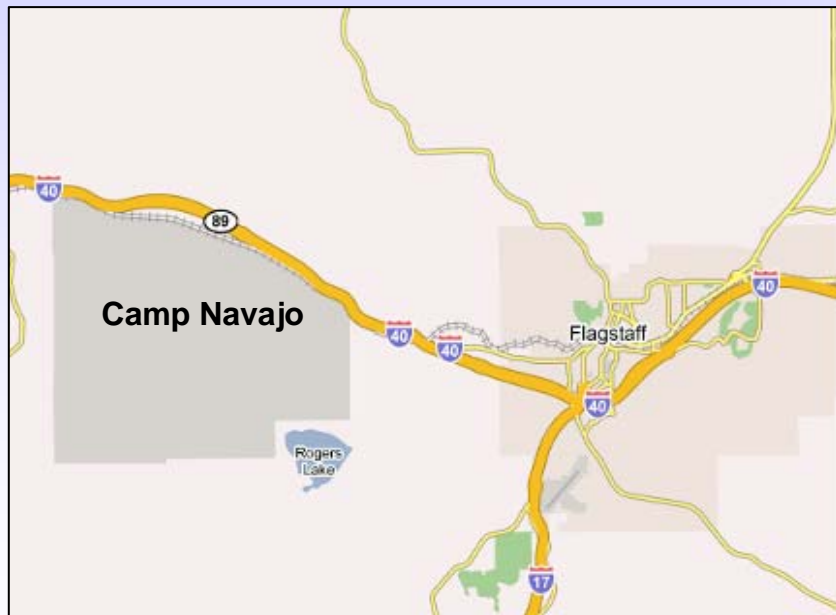
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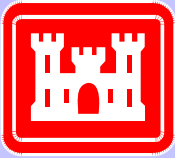
# Site Analysis and Description



## Location and Defined Market Area

- Camp Navajo is about 12 miles west of Flagstaff and Interstate 17 (“I-17”)
- Defined market area includes the broad region of manufacturing and distribution corridors located in Arizona, Utah and Nevada





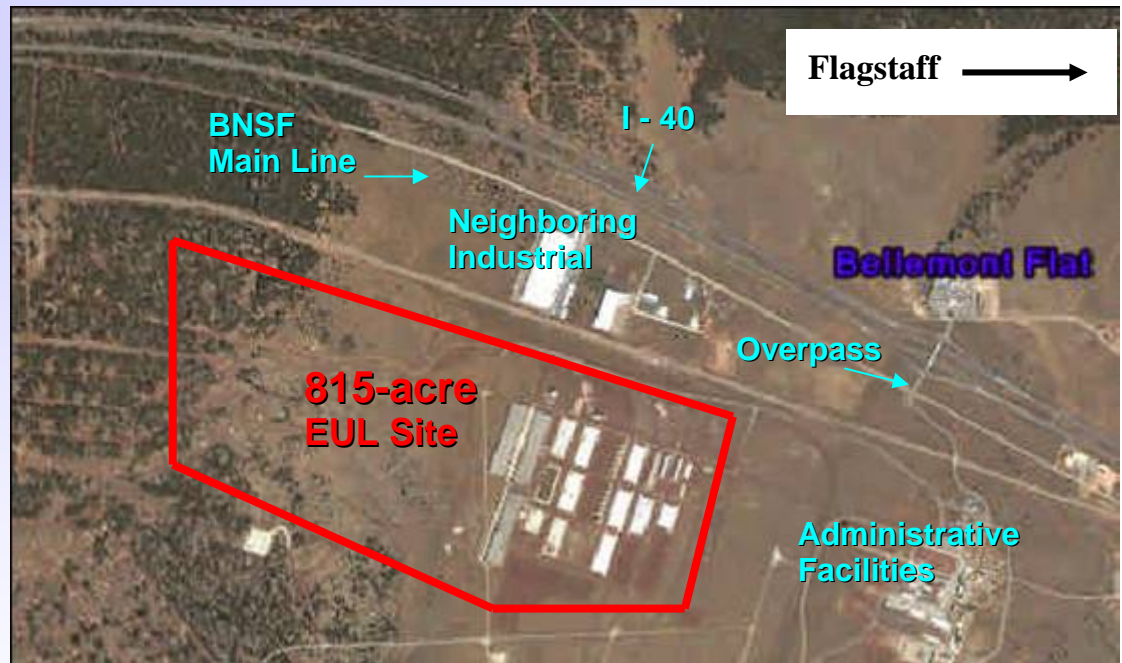
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# Site Analysis and Description

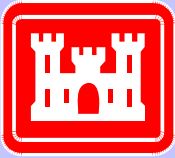


## Site Identification

- About 815 acres, bordered by I-40 on the north, tree growth to the west, National Guard training grounds to the south, and Camp Navajo administrative facilities to the east (“the Site”)



*The approximate EUL site and its surroundings*

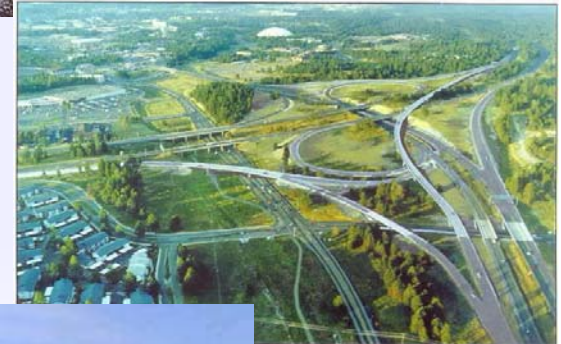


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# Site Analysis and Description



- **Adjacent to and north of Camp Navajo is a double-track rail belonging to the Burlington-Northern Santa Fe. This is part of the Strategic Rail Network that extends from Los Angeles to Chicago**
- **Just east of Camp Navajo, on the south edge of Flagstaff, is the intersection of Interstate 17 and Interstate 40**
- **Pulliam Airport, in Flagstaff, is capable of receiving aircraft up to the C-130 size**





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# Site Analysis and Description



## Site Improvements

- The terrain is generally flat with no trees
- A number of older warehouses and foundations exist near the center of the Site
- The Site has existing road improvements, rail spurs, and utility lines. It is anticipated that significant infrastructure improvements would be made to the site to create an efficient and functional industrial park environment



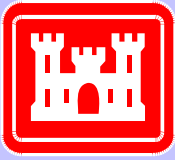
*The foundation of a former storage facility*



*View of portion of existing infrastructure*



*The view north across the railway and I-40*



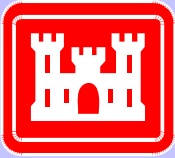
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# Regional Economy



- Camp Navajo is situated to benefit from the extraordinary growth of the emerging markets within its vicinity
- Gross State Products (GSP) in the region have been robust. The Bureau of Economic Analysis reports Arizona and Nevada grew by 8.9% and 10.8%, respectively, in 2004
- An increase of economic activity in the cities within the reach of Camp Navajo's distribution area -- Phoenix, Tucson, Salt Lake City, Las Vegas, and Denver -- gives its industrial users a competitive advantage
  - Each city is projected to have a healthy increase in employment of 3-5%.
  - In 2005, Phoenix and Las Vegas are expected to have 3.8% and 7.3% increases in employment, respectively, ranking them in the top three Metropolitan Statistical Areas for job growth
  - Over the next few years, population growth of Phoenix and Las Vegas are projected to be about 2.6% and 4.3%, respectively





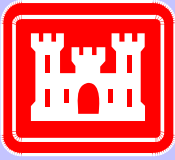
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# Regional Economy (cont'd)



- Both rail and truck transportation have become increasingly important sectors of the economy for Arizona, Colorado, and Nevada, indicating a growth in distribution services within the region
- Warehousing and storage, which is tangentially related to the higher levels of truck and rail traffic, have increased dramatically in recent years
  - The warehousing and storage component of the Nevada GSP grew by over 30% in 2003
  - The buildup of this facet of the economy should give way to a greater need for industrial and distribution in the surrounding areas





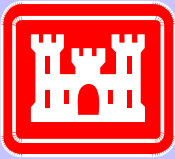
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# Regional Transportation



- Camp Navajo is near the intersection of I-17 and I-40 in Flagstaff, a major transportation crossroads for the western United States
- The I-17 (running north/south) and I-40 (running east/west) allow access to San Francisco, Las Vegas, Albuquerque, El Paso, Denver, Los Angeles, San Diego, Phoenix, and Tucson
- The Burlington Northern Santa Fe (BNSF) railway introduces the possibility of an intermodal manufacturing/distribution facility, where cargo is seamlessly transferred between rail and truck
- BNSF links the major west coast ports of Los Angeles and Long Beach to markets north, east and south of Camp Navajo



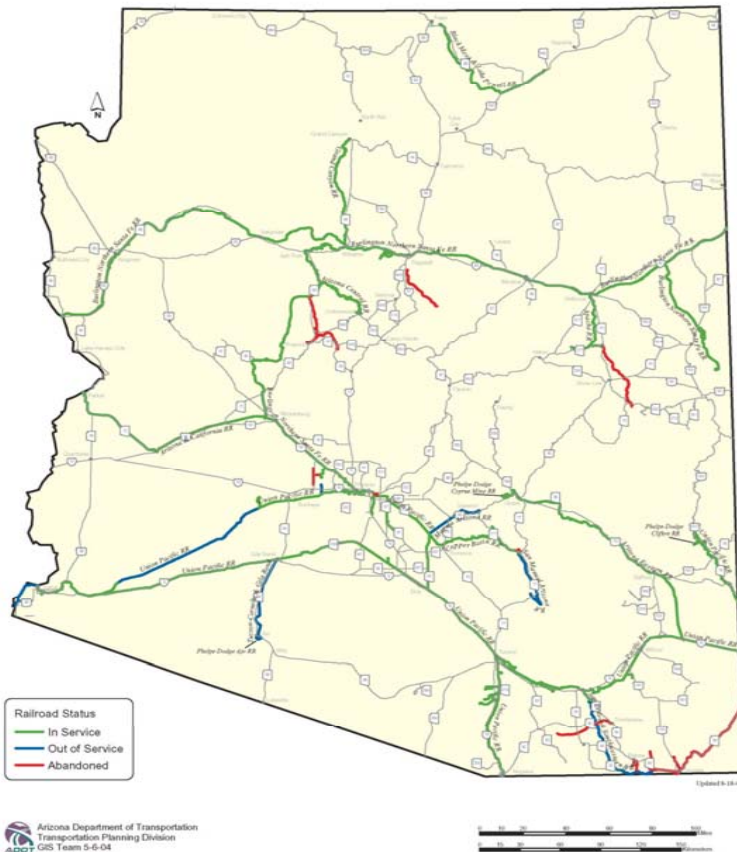


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# Regional Transportation (cont'd)

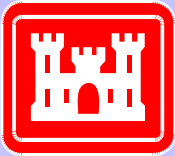


Arizona Railroads



State Highway System





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# Regional Transportation (cont'd)



## Southern California Ports

- The primary materials sources and product destinations of a manufacturing/distribution tenant at Camp Navajo are the West Coast ports of Los Angeles, Long Beach, and San Diego

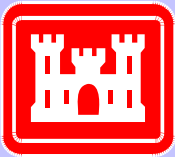


*The Port of Long Beach*



*The Port of Los Angeles*





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# Southern California Ports

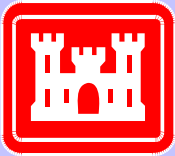


- Camp Navajo is poised to benefit from the positive outlook for the Southern California shipping and distribution industry
- Port of LA handles 150 million metric revenue tons of cargo annually, generating \$27B annually in sales
- The Port of Long Beach is the nation's second busiest port, behind the Port of Los Angeles
- The Port of San Diego encompasses 2,500 acres of land. It generated over \$120 million in revenues and handled 2.09 million tons of cargo during 2004



Map of the Port of San Diego





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# Comparable Industrial Developments



- Industrial land prices along the southwestern corridors have undergone considerable growth in the last 2-3 years, leading to rapid absorption and higher pricing
- Prices have risen up to 50%, in some cases, over the last two to three years
- There are no industrial projects in or around Flagstaff of comparable magnitude and scope
- Comparable sites have been selected based primarily upon *use* and not necessarily immediate proximity to Northern Arizona
- These included centers in: Kingman, Arizona; Casa Grande, Arizona; Eloy, Arizona; Mesquite, Nevada; and St. George, Utah





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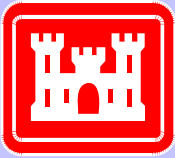
# Comparable Industrial Developments (cont'd)



## Kingman Airport & Industrial Park

- The Park serves 70 businesses with 2,100 employees
- Located approximately 135 miles west of Camp Navajo along I-40 and primarily hosts manufacturing and distribution tenants
- Since the park's establishment 25 years ago, all but 150 of its original 1,100 acres have been sold or leased over a long term
- There are 12 users of the BNSF railway, averaging 110 cars per week
- The airport is rated for DC-9 and 737 aircraft





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# Comparable Industrial Developments (cont'd)



## Eloy Industrial Park

- Located in central Arizona, near the intersection of the I-10 and I-8, northeast of the City of Eloy and about 200 miles south of Flagstaff





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# Comparable Industrial Developments (cont'd)



## Donovan M. Kramer Industrial Park & Casa Grande Business Park

- Casa Grande is about 50 miles south of Phoenix and 200 miles south of Flagstaff
- The Industrial Park was built in the 1980's -- Phases I and II have sold out
- Phase III is in the process of development -- there is an excess of demand and a waiting list of users
- The Business Park has sold 110 acres over the last 3 years
- The site is fully improved



*Casa Grande Business Park*



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# Comparable Industrial Developments (cont'd)



## Fort Pierce Industrial & Business Park

- As the largest industrial park in St. George, Utah, Fort Pierce opened in 1999 and consists of 1,100 acres, 300 acres of which remain



- St. George is located 270 miles northwest of Flagstaff
- I-15 allows access to the following distribution markets: Las Vegas, Salt Lake City, Los Angeles, San Diego, and Phoenix
- Has experienced an excess of demand and established a waiting list of users
- Over the last 3 years, absorption has averaged about 100 acres annually





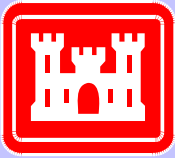
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# Comparable Industrial Developments (cont'd)



- The newer parks located in Utah and Nevada have a premium partly as a result of their expanded distribution capacity, allowing users to more easily reach regions outside of the Southwest, such as Washington, Oregon and Northern California
- Parcels with rail access demand up to a 20% increase in price
- Absorption varies depending on the project and market cycle of 25 to 150 acres per year





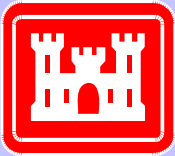
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# Transaction Structure



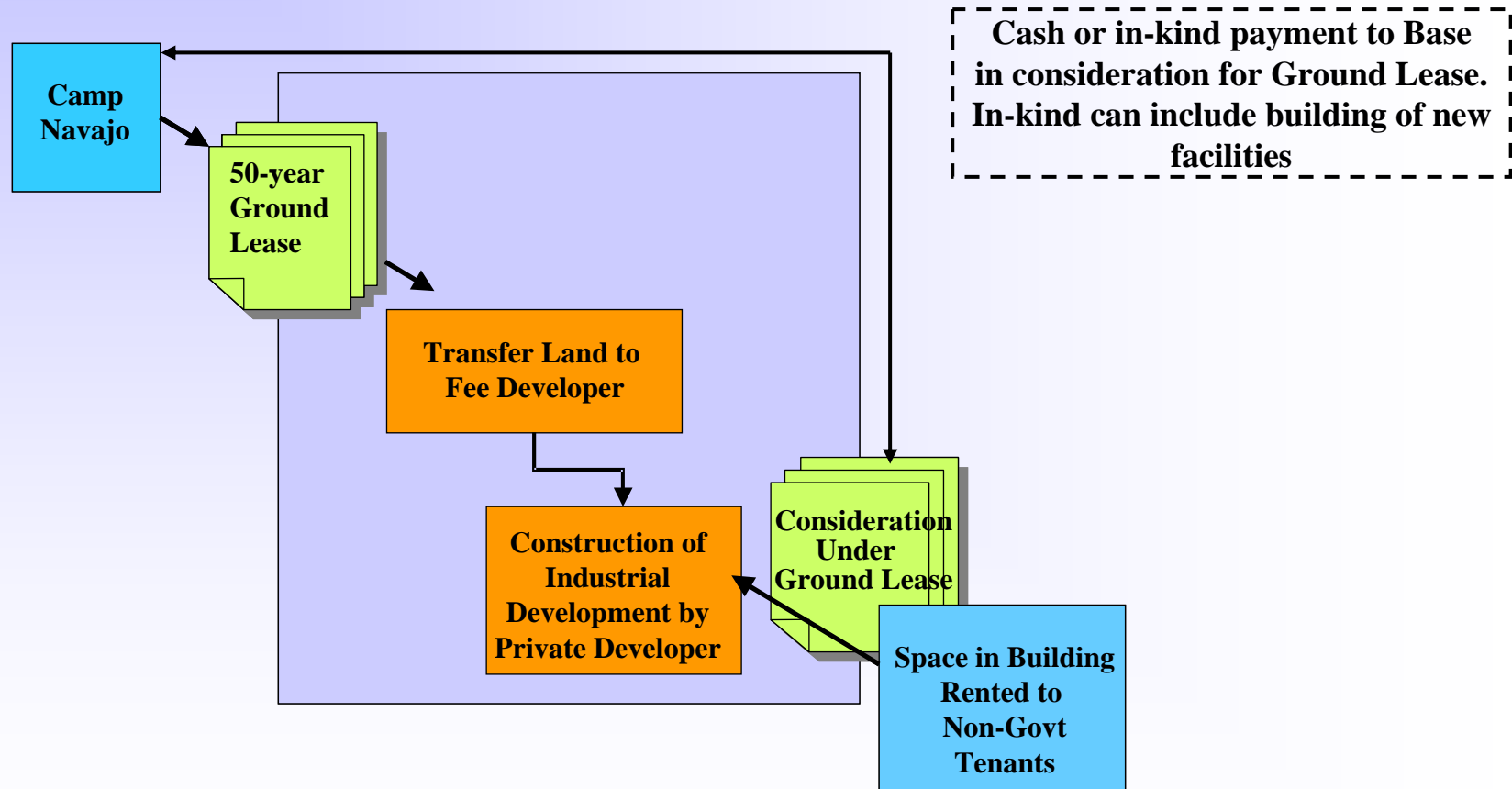
- **Camp Navajo provides 50-year ground lease for 800+ acres**
- **Master Developer assumes all risks and responsibilities**
- **Camp Navajo receives a minimum of FMV as in-kind consideration for the ground lease**
- **Master Developer develops the site based on market demand from non-government users**
- **No guaranty of lease-back of space by Camp Navajo or any other Federal government agency**
- **Multiple ground leases are allowed based on a take-down plan**

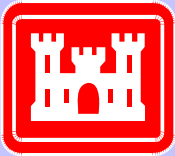




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# Transaction Structure (cont'd)





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# Transaction Structure (cont'd)



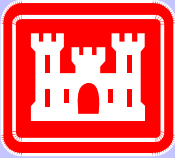
- **Buildable Areas**

- Exact boundaries will be negotiated with selected developer
- Some environmental constraints
- Some existing improvements on site; will likely need upgrading

- **Long-term Relationship between Developer and AZARNG**

- Developer/Manager will secure financing
- Developer/Manager will develop facilities
- Developer/Manager will operate and maintain facilities





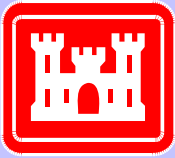
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# Issues to Consider

- **Access to the EUL site by Camp Navajo**
- **Explosive arcs in extreme SE corner of the EUL site will exclude use of some acreage**
- **Priority access through EUL area for soldiers training in the west buffer**
- **Priority rail access through the EUL area for current customers for munitions rail loads**
- **Accommodation for the continued use of 600,000 square foot general warehouse space on site**
- **Condition/capacity of existing utilities to service the EUL area**
- **Nearby Naval Observatory “Dark Skies” policy**





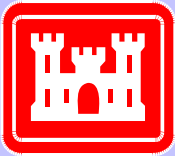
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# Conclusion

- **Well-located in a region with strong economic growth expected over the long term**
- **Immediate demand from several tenants could accelerate the early absorption of an industrial park**
- **Community is supportive of industrial use on the site**
- **Many inquiries from potential industrial users**
- **Analysis of pricing, absorption, revenues, costs, timing, financing, and expected market returns yields an overall positive cash flow for an industrial development of this 800+ acre site**



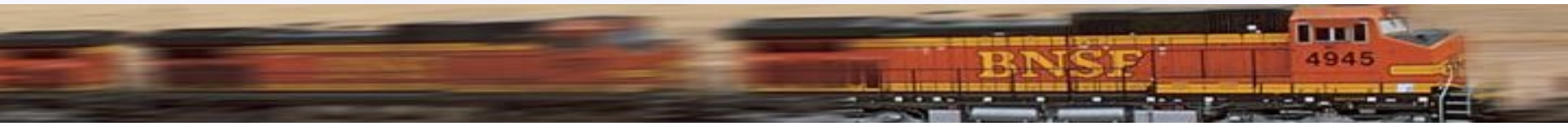


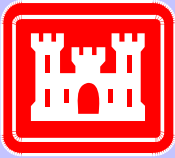
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# The Changing Role of Logistics in Economic Development

Skip Kalb  
Director Strategic Development  
BNSF Railway Company



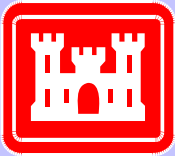


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# Impact of Economic Trends on US Rail Industry



- National rail network experiencing record demand, but the pace of growth is slowing
- Economic rebound in US, coming off a very long period of recession
- Strong demand for imported finished goods from Asia
- Continued industrial expansion
- Continued strength in housing market
- Strong demand for steel and coal
- Record petroleum products
- Strong demand for coal



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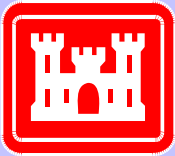
# BNSF Railway Network



**BNSF is one of the largest North American railroads**  
32,000 route miles, covering 28 states and two Canadian provinces



**BNSF**  
RAILWAY

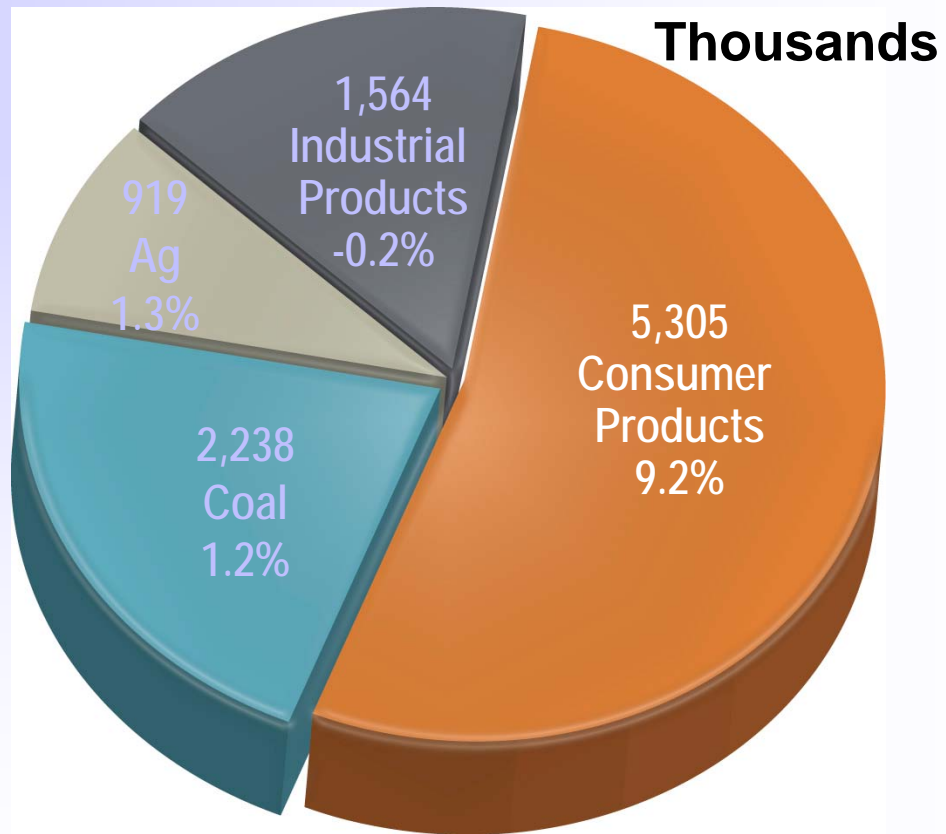


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# BNSF 2005 Freight Volume

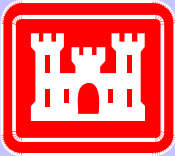


**Total units and % change from 2004**



**Total BNSF Units:  
10,027 +5.0%**



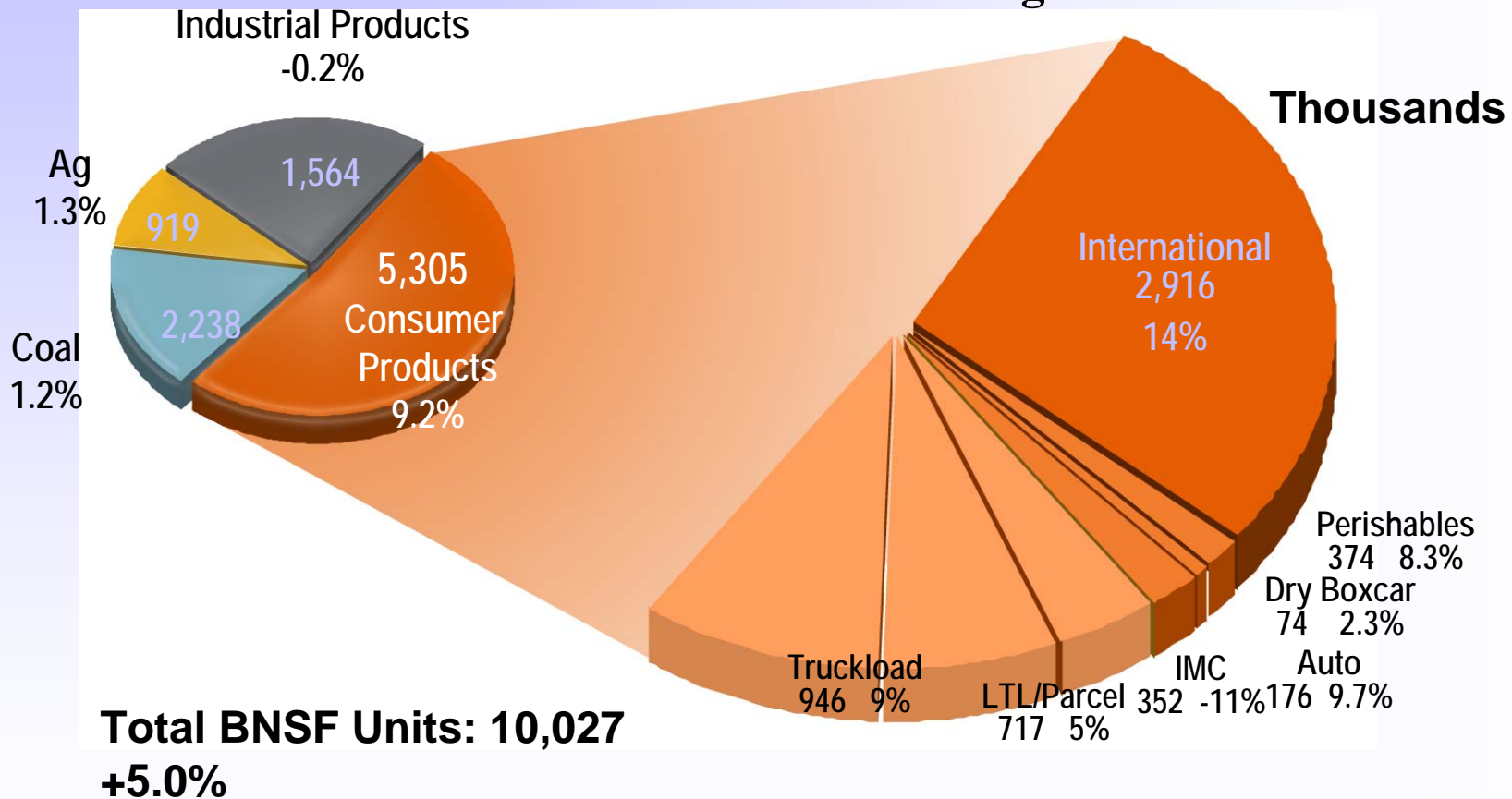


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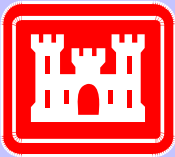
# 2005 BNSF Freight Volume



## Total units and % change from 2004



**BNSF**  
RAILWAY



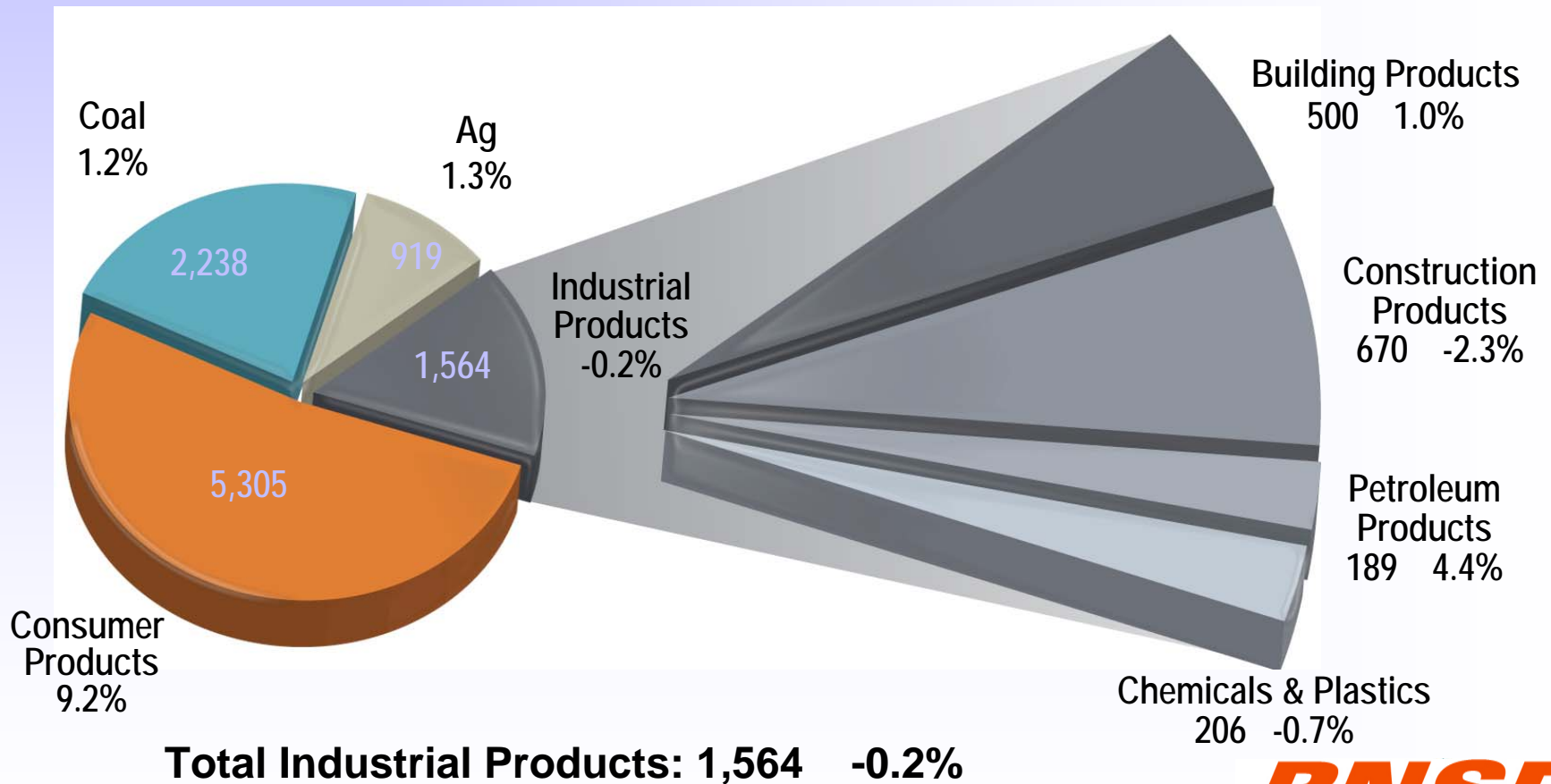
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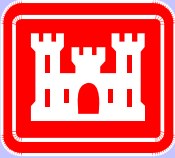


# 2005 Freight Volume

Total units and % change from 2004

Thousands





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# Meeting the Growth Challenge



## Acquire Additional Capacity

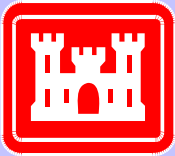
- Locomotives
- Equipment
- More People
- Infrastructure

## Leverage Existing Capacity

- Major Terminal Redesign
- Locomotive Allocation
- Service Redesign
- V-Squared Initiative

## Maximize Existing Capacity

- Gateway & Interline
- Asset Utilization
- Gathering & Distribution
- Transload Services



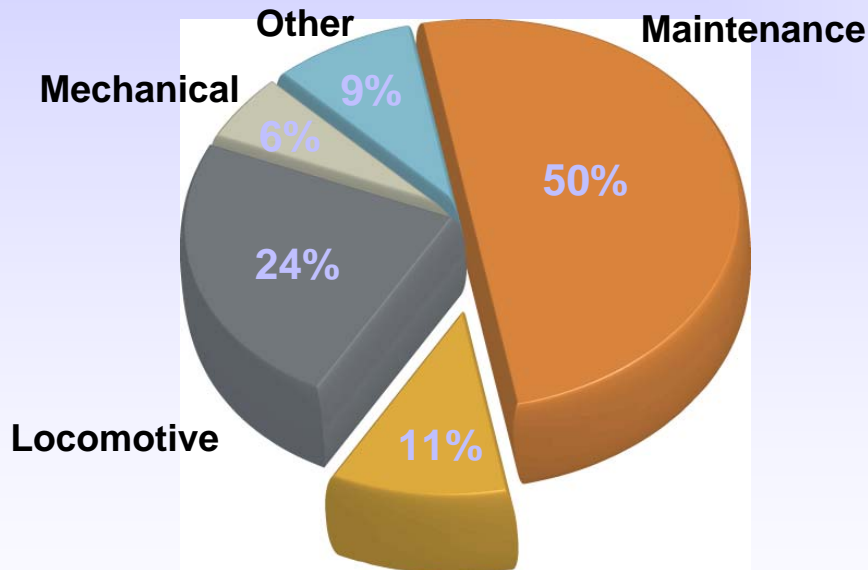
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# BNSF 2005 Growth Plan

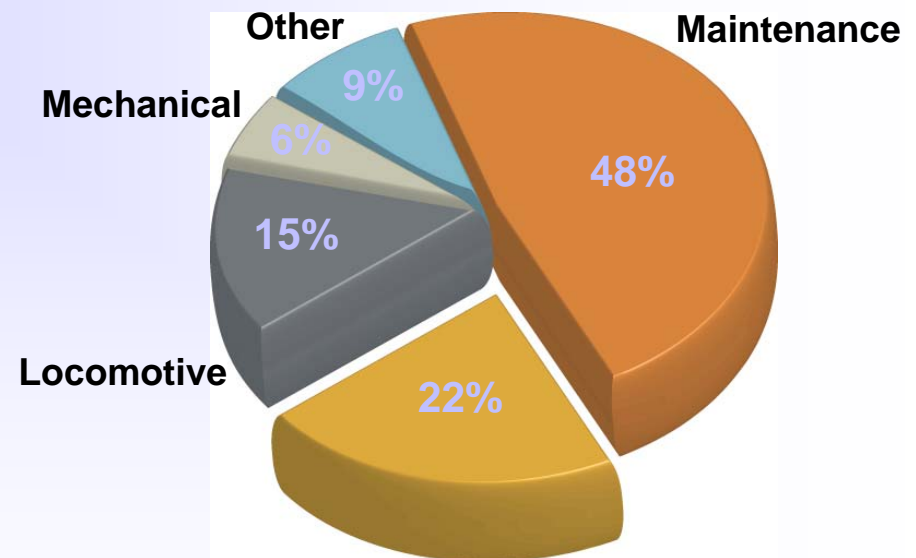
## Expansion Capital Increasing to 22%

2004  
\$1.99 Billion

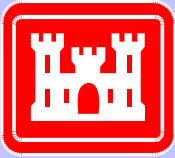


Expansion

2005  
\$1.9+ Billion



Expansion



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# Summary



- **Largest volume increase in industry and BNSF history**
- **Strategic targeting of capital investment to meet growth**
- **Focus is to remain fluid**
  - **Protect and improve service levels of our current customers**
  - **Utilize premier transloaders to increase capacity, and service**

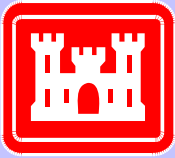


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# Global Economic Changes Impact Facility Development Strategies



- **As more manufacturing goes offshore, fewer raw materials are needed**
- **Domestic economy shifting to a consumption based market**
- **Shift from goods manufacturing economy to a goods distribution economy**
- **International container shipments experiencing double digit growth**
- **Many companies focused on regional distribution to expedite time to market**

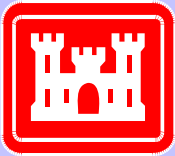


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# Leading Edge Facility Location Strategies



- **Cost-Focused, Network Consolidation, Optimization**
- **Shared Services, from Infrastructure to Distribution**
- **Location Strategy Linked to Business Drivers & Operational Strategy**



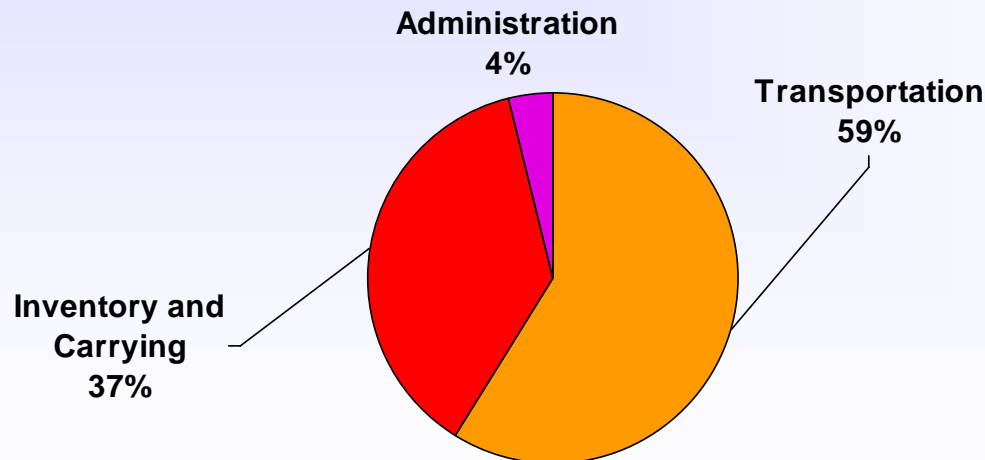
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# Supply Chain Competitive Advantages



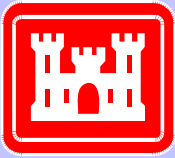
- **Real Estate Focus – Cost Control**
  - Value is Seen When Connecting Goals
- **Transportation Focus – Efficiencies**
  - Leverage and Impact to Overall Distribution Cost

## Total Distribution Cost Breakdown



Source: *Delaney 12<sup>th</sup> Annual  
State of Logistics Report*





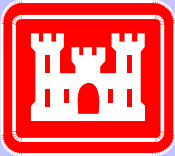
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# Motor Carrier Challenges



- *Legislative*
  - **Hours of Service Rules Impact**
- *Environmental*
  - **New Emission Engines (Capital, Fuel Efficiency, Maintenance)**
- *Fuel*
- *Competitive Environment*
  - **Market Fragmentation – Further consolidations/acquisitions**
- *Capacity Growth*
  - **14.9% in '90's - averaging less than 3% in 2000s**
  - **Class 8 Tractor Sales – 48% increase – mostly replacement**
- *Driver Issues*
  - **Shortage – Recruitment – declining demographic**
  - **Retention – Quality of Life**
  - **Rising Pay**
- *Rising Insurance Costs - \$2mm deductible per occurrence*
- *Historic Pricing Environment - 8-10% opportunity. Highest sin deregulation*
- *Reduce Capital Cost – Tractors/Trailers*



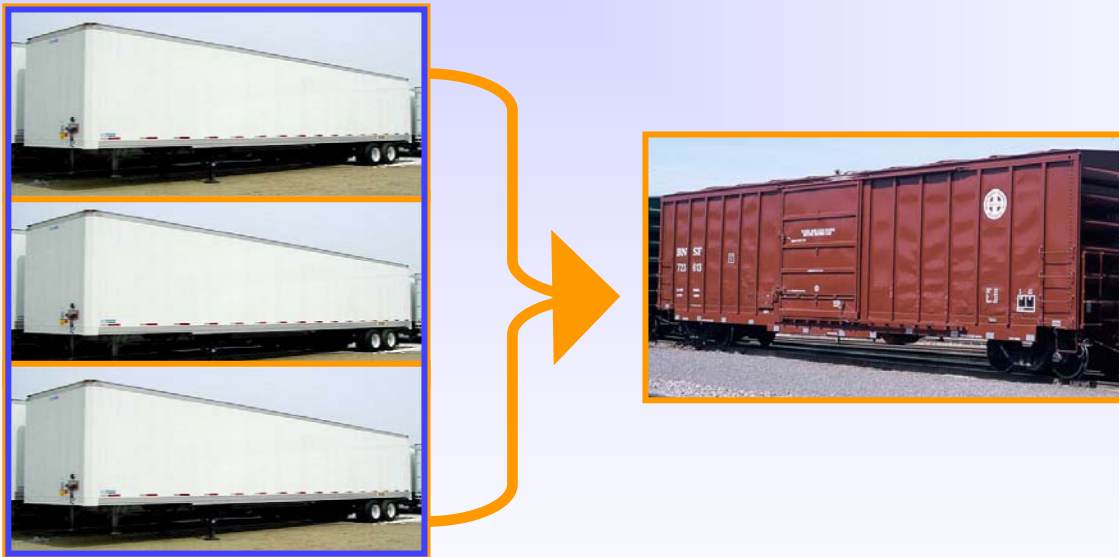


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# Carload Savings

- 2.5 to 3.5 Trailers Can Be Loaded into 1 Boxcar

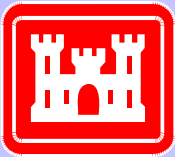


- Dock-to-Dock Boxcar Rates Can Save Up To 15% off Dock-To-Dock Intermodal Rates

## Assumptions:

- Average Dock-to-Dock Intermodal Rate = \$1,500
- Convert 25% of Inbound Freight to Boxcar
- 2,500 Intermodal Containers Results in \$3.8 Million in Total Freight Charges
- 3:1 Conversion Ratio to Boxcar = 833 Boxcars
- 15% Savings = \$3.2 Million in Total Freight Cost
- SAVINGS = **\$600,000 Per Facility**





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# Carload Savings (cont'd)



Transloading  
captures some  
boxcar  
efficiencies

\$750  
Per  
Boxcar

Distribution Center

Transload  
Facility

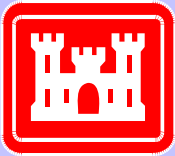
VS.

Direct rail -  
served DCs  
completely  
capture boxcar  
efficiencies

~~\$750.00~~

Distribution Center

**BNSF**  
RAILWAY



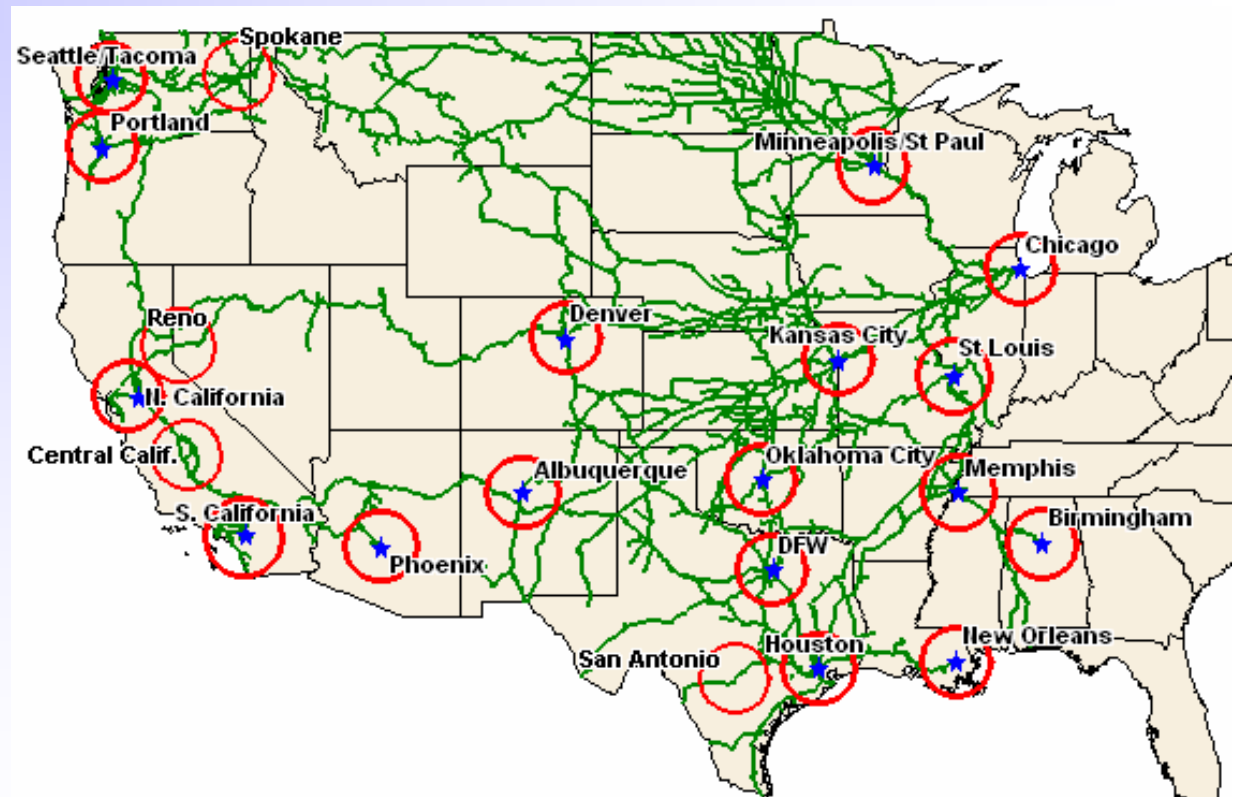
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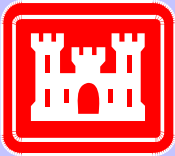
# Premier Transload Network

## Establishing the Premier Network

- Top 100 Premier Transload facilities with value added services
- Premier Network defined in 17 metro markets
- Markets to be defined in 2005
  - Spokane
  - Reno
  - Central California
  - San Antonio



**BNSF**  
RAILWAY



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# The Value of Transload

**BNSF transload solutions give you access to carload services via a network of top-quality trucking, warehousing, distribution and other service partners**

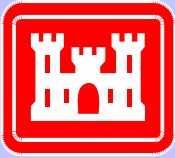


**Transload**

## Transload

- Combination of truck and rail
- Origin/destination does not need to be directly rail served
- Ideal for larger quantities (3 or more truckloads) moving more than 500 miles with drayage less than 20-30 miles





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# Shipping Redefined



## Logistics Center – Fontana

- **Three-in-one Convenience**

- Bulk, dimensional and warehouse products.
- Multi-modal service
- Additional warehouse capacity
  - Available at BNSF transloading facilities in the immediate vicinity



- **Operational Precision and Safety**

- Flexibility and convenience mean higher level of service
- Dedicated switching services
  - Promptly route inbound railcars to appropriate track locations
  - Shipments reach destination quickly
- Inventory management and control for every shipping need
  - Coordination of pick-up or delivery of goods via truck

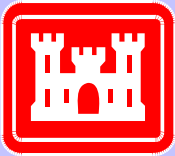


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# What Does It All Mean?

- **Increasing Transportation Demand driven by Continued Globalization and International Demand**
- **Limited Potential for Short Term Rail Mainline and Terminal Infrastructure Expansion**
- **Increased Distribution Differentiation**
- **Drive of Transportation/Distribution facilities to the metro perimeter**
- **Increasing Wage and Job Creation from Distribution VS. Manufacturing**
- **Greater reliance on Postponed Manufacturing**
- **Large Capital Expenditure and Public-Private Partnerships**



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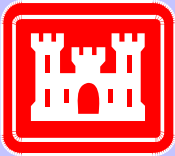


# Northern Arizona Regional Freight Facility Market Analysis

**Don Breazeale and Associates, Inc. was hired by the  
Greater Flagstaff MPO to determine if it is feasible to create  
a Rail Intermodal and Truck Facility within the Flagstaff  
Region**

**This study was conducted in two separate phases in 2004 and  
follow up work designed to update certain key portions of the  
data and information was completed in 2005**





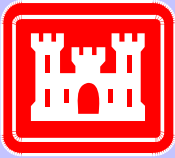
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# Potential Intermodal Diversions



<b>Table 1</b>			
<b>Potential Intermodal Diversions</b>			
	Total Market	Anticipated Market Penetration	Total Intermodal Market
Total Trucks Inbound	35,100	68%	23,920
Total Trucks Outbound	47,800	76%	36,130
Total Rail Inbound	3,100	50%	1,550
Total Rail Outbound	800	75%	600
Intermodal empties outbound @ 20%			7,226
Phoenix bound transshipment freight*			600
<b>Total</b>	<b>86,800</b>		<b>70,026</b>
*Inbound by piggyback trailer and truckload carrier, cross-docked for LTL delivery to Phoenix area			





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# Coconino County Rail and Truck Data



**Table 2**

**Coconino County Reebee Data**

<b>Originated</b>	<b>Less Truck and Rail Freight</b>	<b>Total</b>	<b>%</b>	<b>Total to Intermodal</b>
2,235,407	571,009	1,664,398	1.5	24,966
<b>Terminated</b>	<b>Less Truck and Rail Freight</b>	<b>Total</b>	<b>%</b>	<b>Total to Intermodal</b>
2,273,557	1,696,307	577,250	1.5	8,659
<b>Total Table 2</b>				<b>33,625</b>
<b>Totals Tables 1 &amp; 2</b>				<b>103,651</b>





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# Freight Shipments To, From, and Within Arizona by Mode



Table 1. Freight Shipments To, From, and Within Arizona: 1998, 2010, and 2020

ARIZONA	Tons (millions)			Value (billions \$)		
	1998	2010	2020	1998	2010	2020
<b>State Total</b>	182	292	396	147	343	616
<b>By Mode</b>						
Air	<1	<1	2	27	75	139
Highway	151	249	341	110	249	445
Other <sup>a</sup>	<1	<1	<1	<1	<1	<1
Rail	30	43	53	10	20	32
Water	0	0	0	0	0	0
<b>By Destination/Market</b>						
Domestic	169	266	357	131	294	521
International	12	26	39	16	49	95

Note: Modal numbers may not add to totals due to rounding.

<sup>a</sup> The "Other" category includes international shipments that moved via pipeline or by an unspecified mode.

99 Table 1 presents information on freight shipments that have either an origin or a destination in Arizona. As shown in the table, trucks moved a large percentage of the tonnage and value of shipments, followed by rail (tonnage) and air (value). Figures 1 and 2 show freight flows on the highway and rail modes.





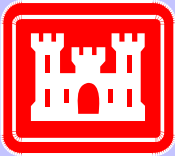
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# Freight Flows To, From, and Within Arizona by Truck



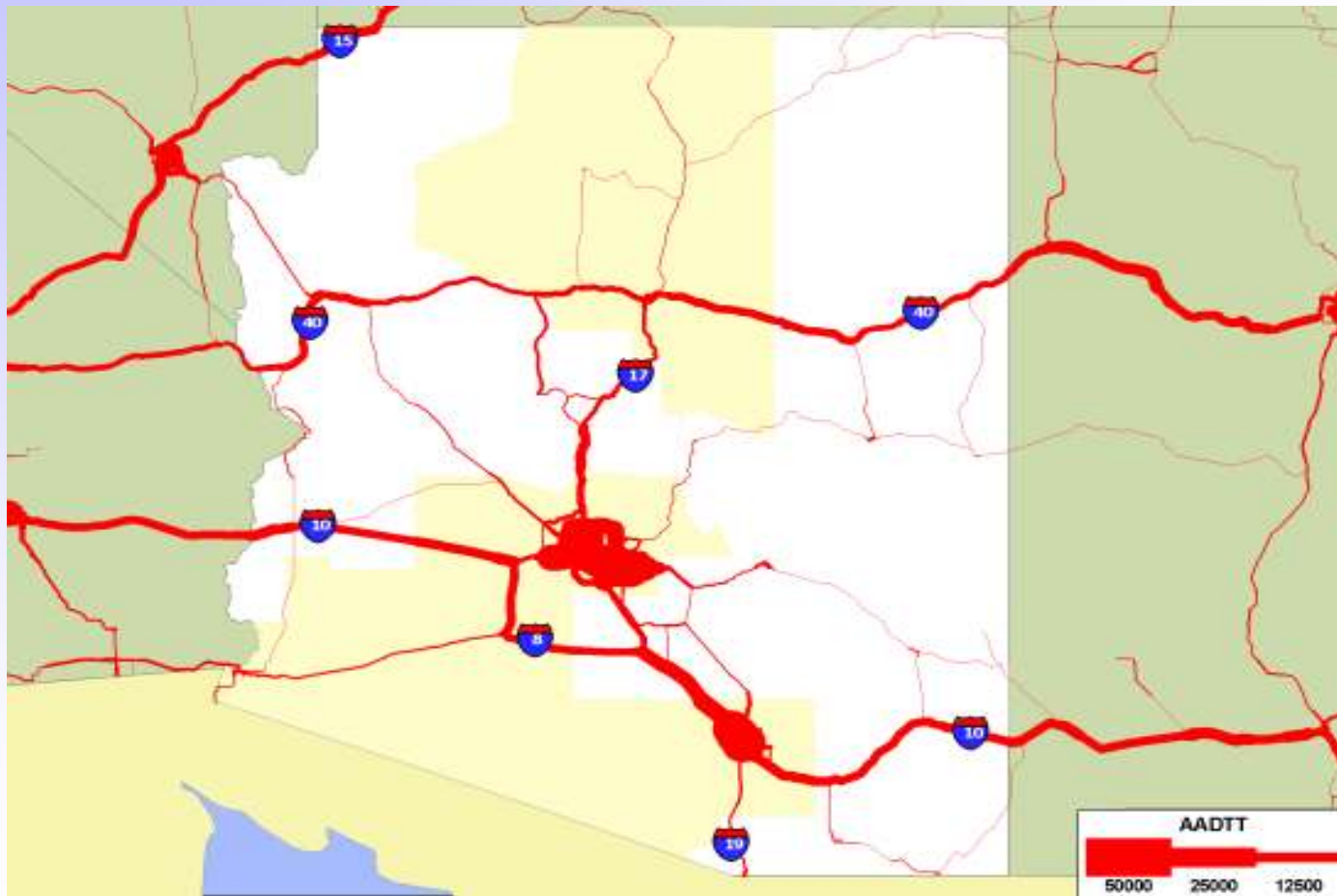
1998 (tons)

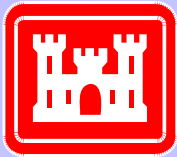




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# Estimated Average Annual Daily Truck Traffic: 2020





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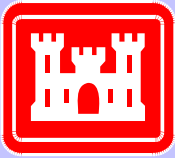
# Top 5 Commodities Shipped in Arizona – by Mode



Table 2. Top Five Commodities Shipped To, From, and Within Arizona by All Modes: 1998 and 2020

Commodity	Tons (millions)		Commodity	Value (billions \$)	
	1998	2020		1998	2020
Clay/Concrete/Glass/Stone	27	74	Transportation Equipment	20	55
Petroleum/Coal Products	26	50	Secondary Traffic	20	92
Nonmetallic Minerals	24	38	Machinery	12	75
Secondary Traffic	20	60	Food/Kindred Products	11	47
Farm Products	19	30	Chemicals/Allied Products	11	41





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# Camp Navajo Facility

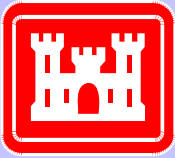


*A key requirement for any rail facility is a large piece of property that is flat and level for safe and efficient railroad operations.*



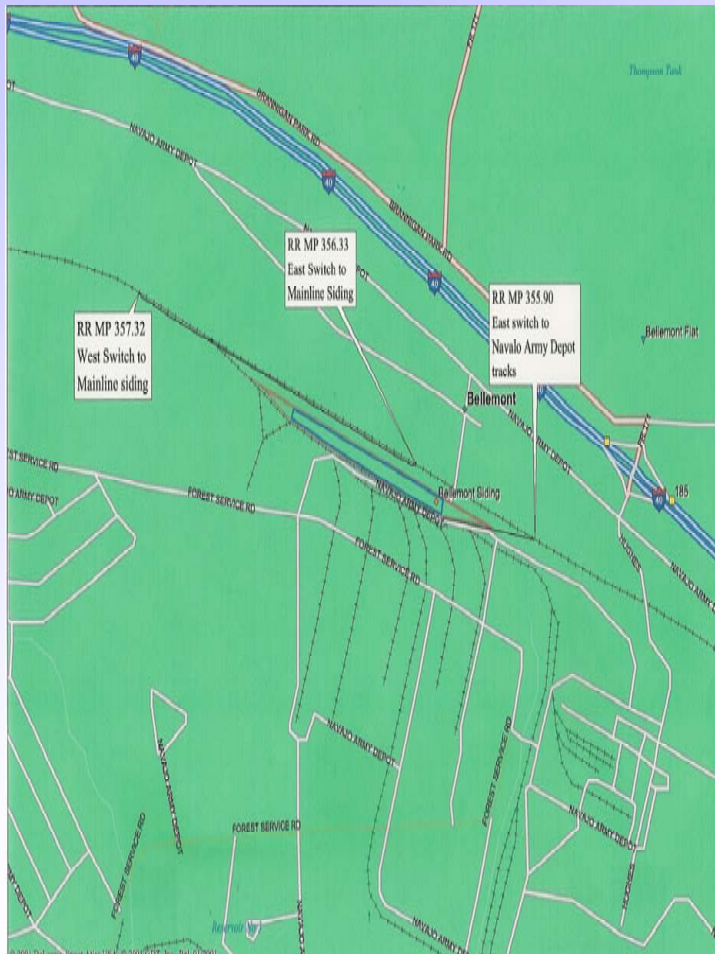
- Note the existing Arizona National Guard (AZARNG) yards tracks in white on the right side of the picture.
- These tracks are immediately north of the 815 acres being made available for enhanced use leasing.
- The BNSF right of way (ROW) is 300 feet wide from AZARNG ROW to center of East Bound mainline track.
- The area between the AZARNG tracks and BNSF mainline is flat and suited for a rail facility.





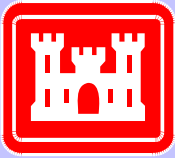
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# Rail/Truck Intermodal Facility



- An intermodal facility could be constructed on the southerly 150' of the BNSF ROW and leave 100' between the proposed facility and the BNSF mainlines to allow for BNSF expansion of mainlines or siding or addition of additional tracks to serve the proposed intermodal facility.
- The proposed facility as shown consists of a 4,800' storage track with two intermodal loading/unloading tracks with a 105' wide by 2,200' long concrete/asphalt pad between the tracks.
- A stub track with car floor height dock and ramp could be constructed off of AZARNG tracks for unloading construction equipment, lumber, paper products and etc from flat or box cars.





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# Rail/Truck Intermodal Facility (cont'd)



- These two facilities coupled with the existing AZARNG yard tracks and warehouse tracks would accommodate almost all types of rail equipment.
- BNSF currently provides rail service for the AZARNG tracks. The AZARNG yard tracks are switched by the AZARNG switch engine and they switch about 200 cars per month.
- All proposed construction is in an area previously occupied by a rail yard so grading work would be minimal. All additional switches would be placed in the AZARNG lead track.
- A rough estimate of cost for this facility would be \$6,500,000 which includes construction of 6 yard turnouts, 12,000 LF of track, 26,000 SY of concrete loading/unloading pad, engineering, and related costs.
- Proposed facility is 10 miles west of I-40/I-17 interchange at Flagstaff on I-40.
- Elevation at the facility is about 7,200 feet.



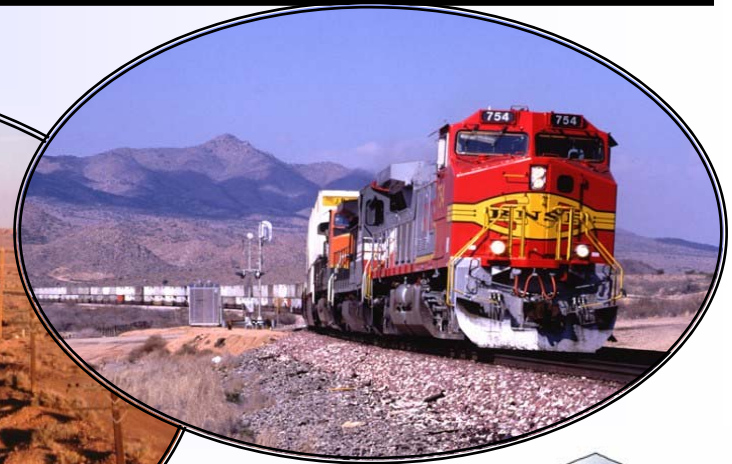
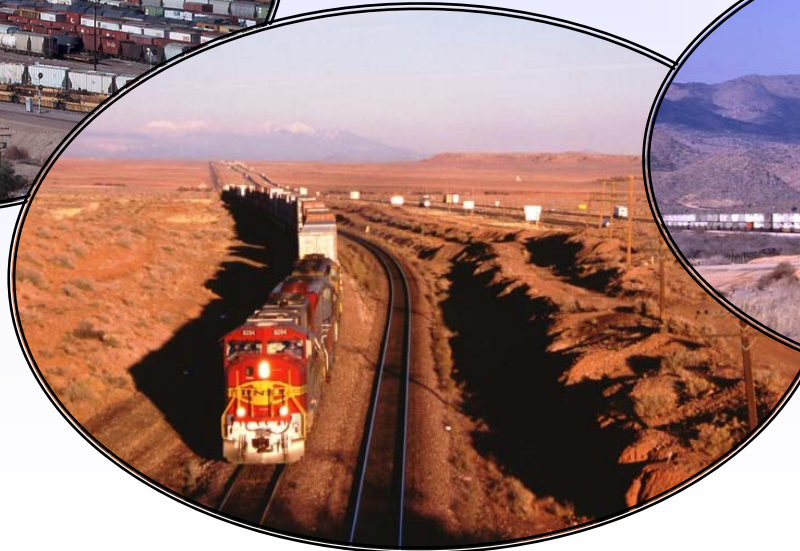
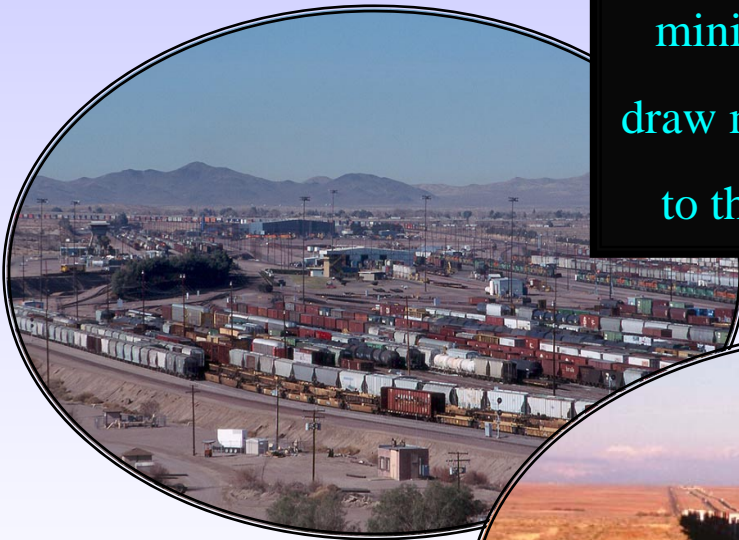


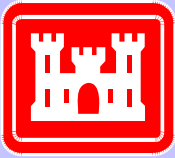
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# Rail/Truck Intermodal Facility Impact



Creation of a rail/truck intermodal facility and possibly a transshipment and/or cross-dock facility will create a minimal amount of jobs within the facility itself but will draw manufacturing, warehousing and distribution facilities to the facility grounds and the surrounding area as well.





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# Rail/Truck Intermodal Facility Impact (cont'd)



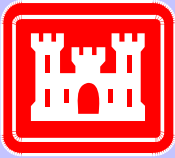
**The location and pricing of manufacturing, warehousing and distribution facilities is inextricably linked to:**

- Geography of retailing
- Production
- Transportation systems
- Warehouse labor
- Local zoning/taxes

**Warehouse and distribution facilities constitute integral parts of the industrial supply chain and become an important component of local economies:**

- Facilities are used for storage, handling and distribution of finished goods to local retail outlets, regional retail outlets and non-local distribution centers
- Serve as the intermediate processor for local manufacturing plants
- Used for such value-added functions as packaging, labeling, bar coding, pricing and simple assembly tasks

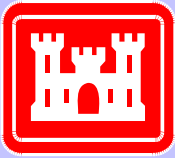




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# Site Tour

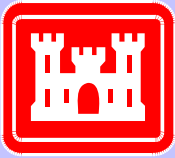


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# Site Tour Points of Interest



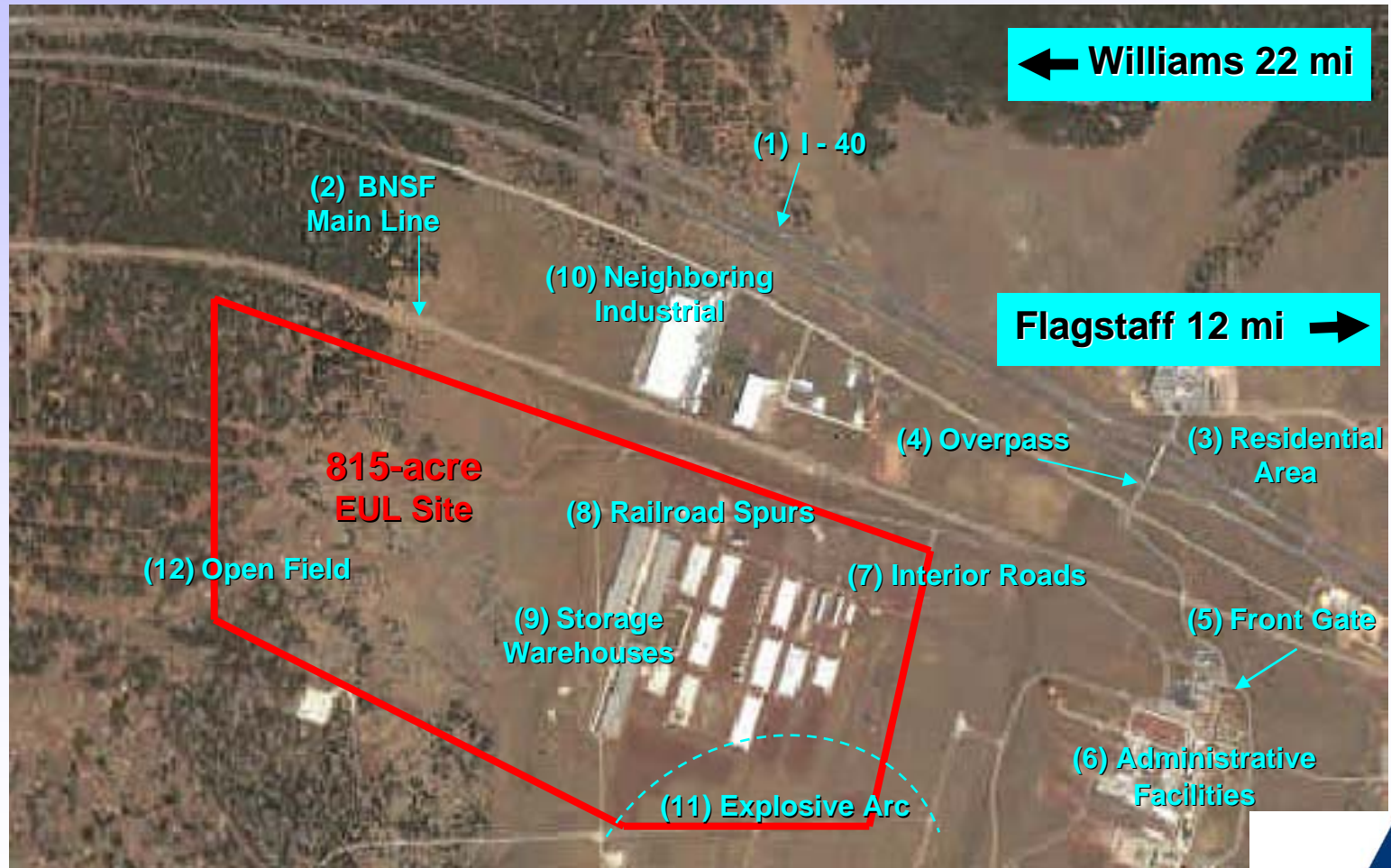
- 1. Interstate 40**
- 2. BNSF Rail Line**
- 3. Residential Area**
- 4. Overpass**
- 5. Front Gate**
- 6. Administrative Facilities**
- 7. Interior Roads**
- 8. Railroad Spurs**
- 9. Storage Warehouses**
- 10. Neighboring Industrial**
- 11. Explosive Arc**
- 12. Open Field**

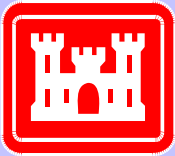


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# Site Tour

## Points of Interest (cont'd)





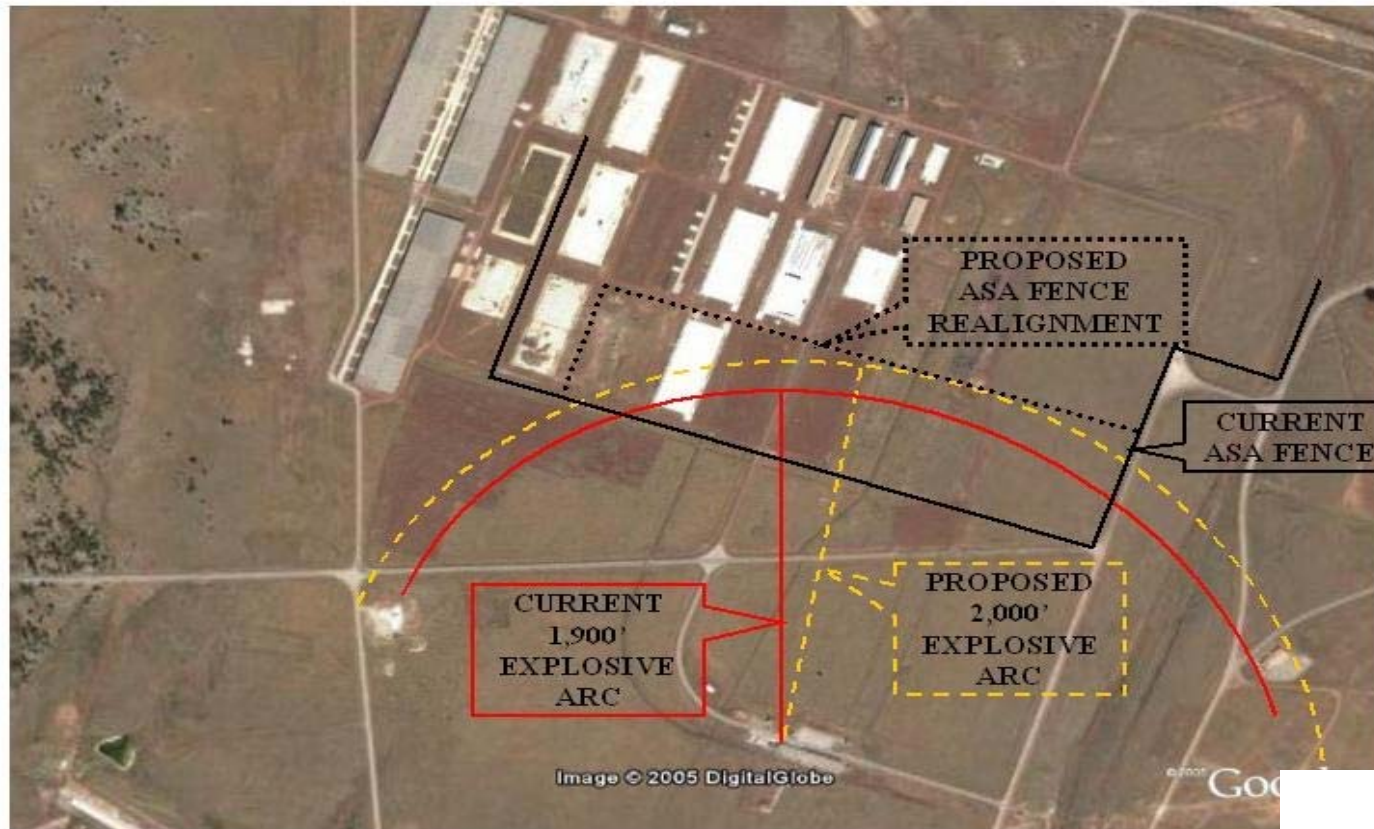
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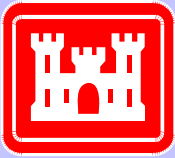
# Site Tour

## Points of Interest (cont'd)



### Explosive Arc Detail





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# Small Wood Processing Opportunity

**Steve Gatewood, Greater Flagstaff  
Forest Partnership**

**Diane Vosick, Ecological Restoration  
Institute, Northern Arizona University**



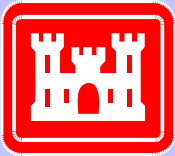
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# Forest Products Processing at Camp Navajo



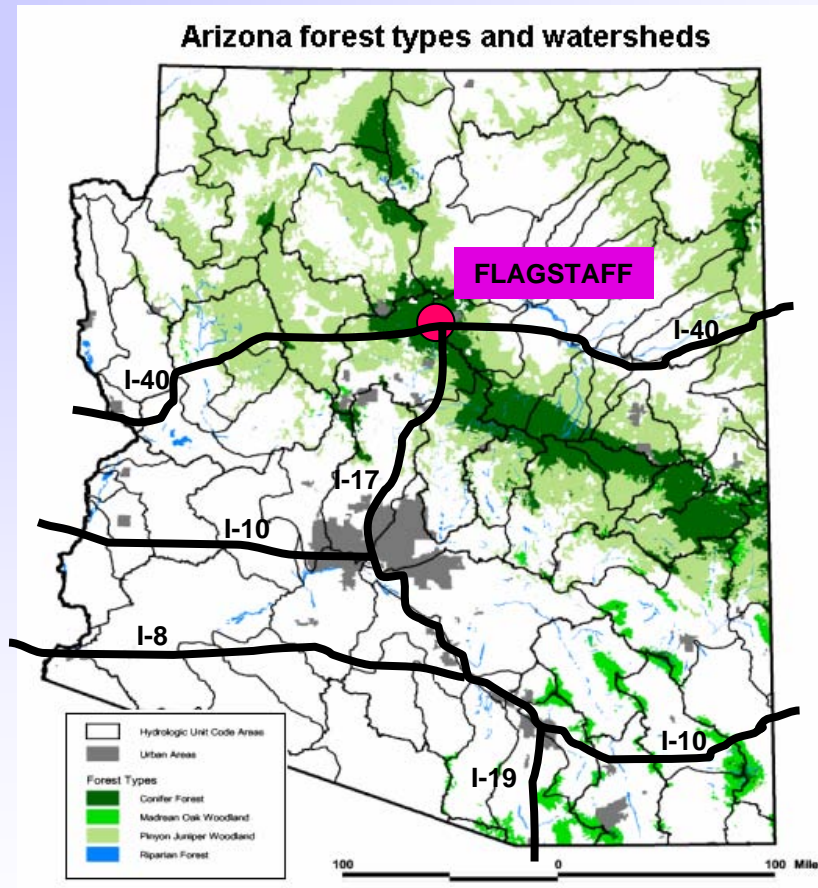
## Volunteer Mountain Industrial Park

Opportunities for community protection from wildfire, restoration  
of forest health, and community economic development



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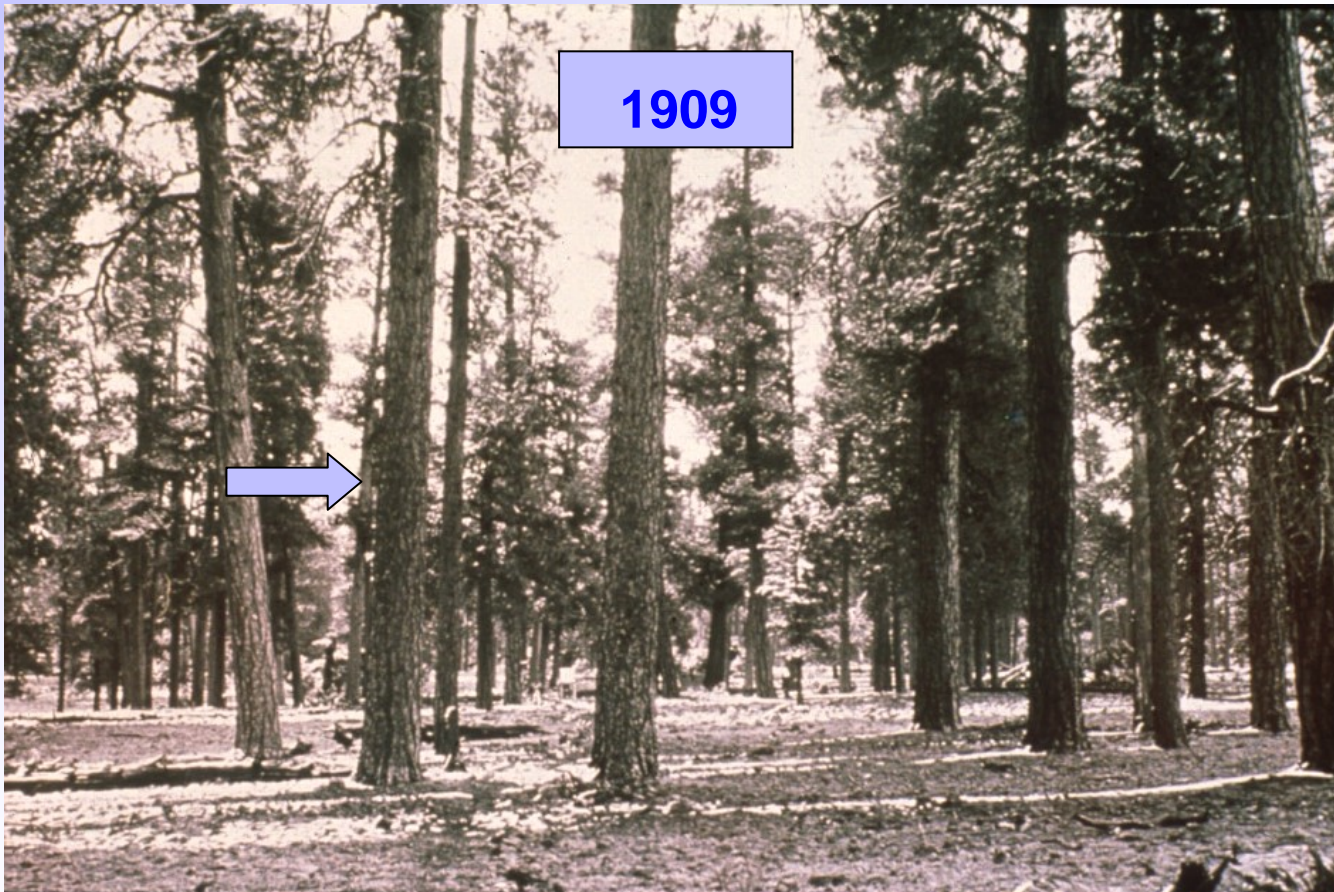
# Ponderosa Pine Forests Define Northern Arizona

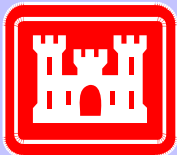




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# Forest Density: 100 Years Ago

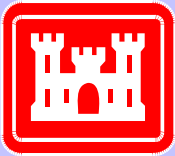




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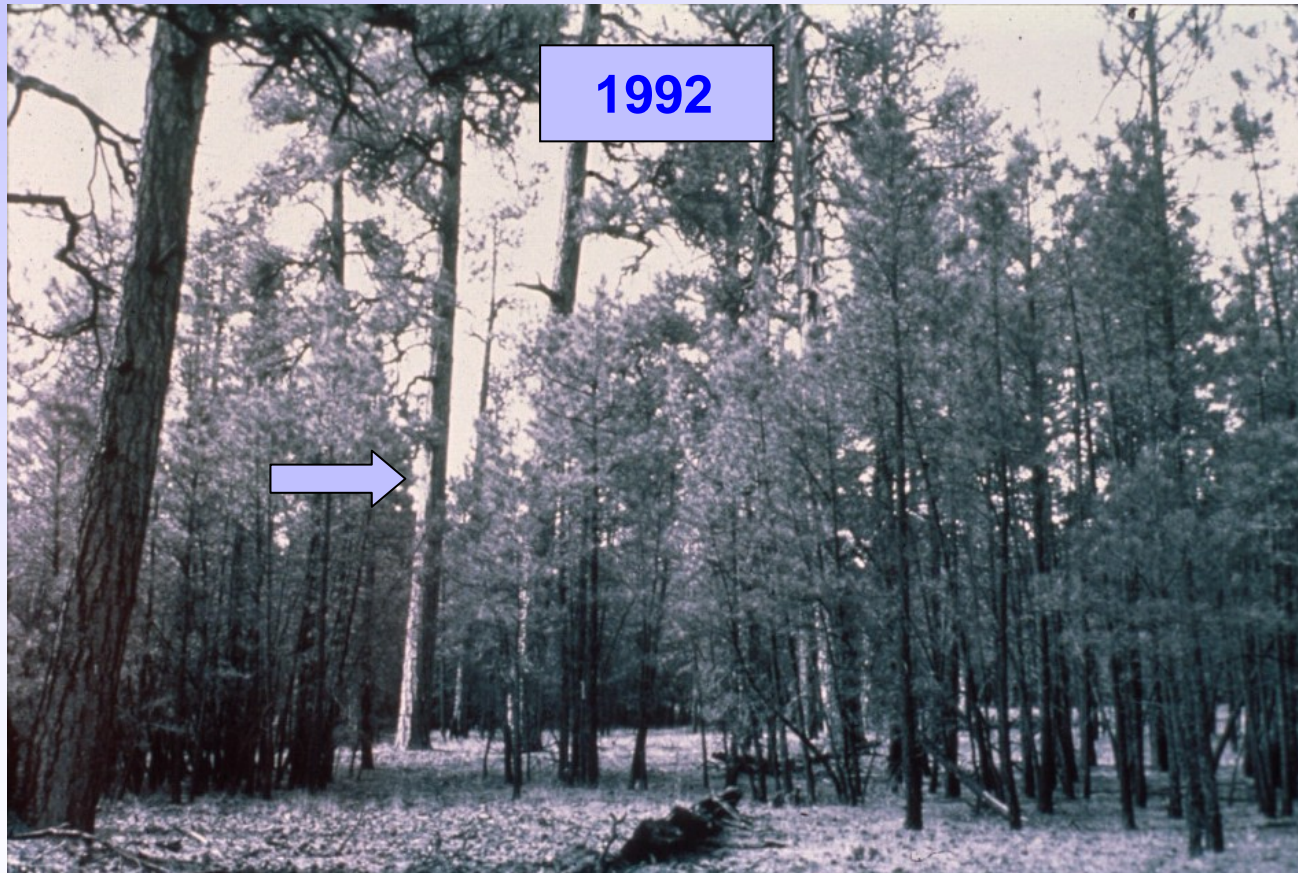
# Forest Density: 50 Years Ago

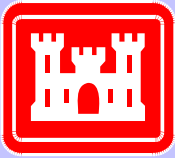




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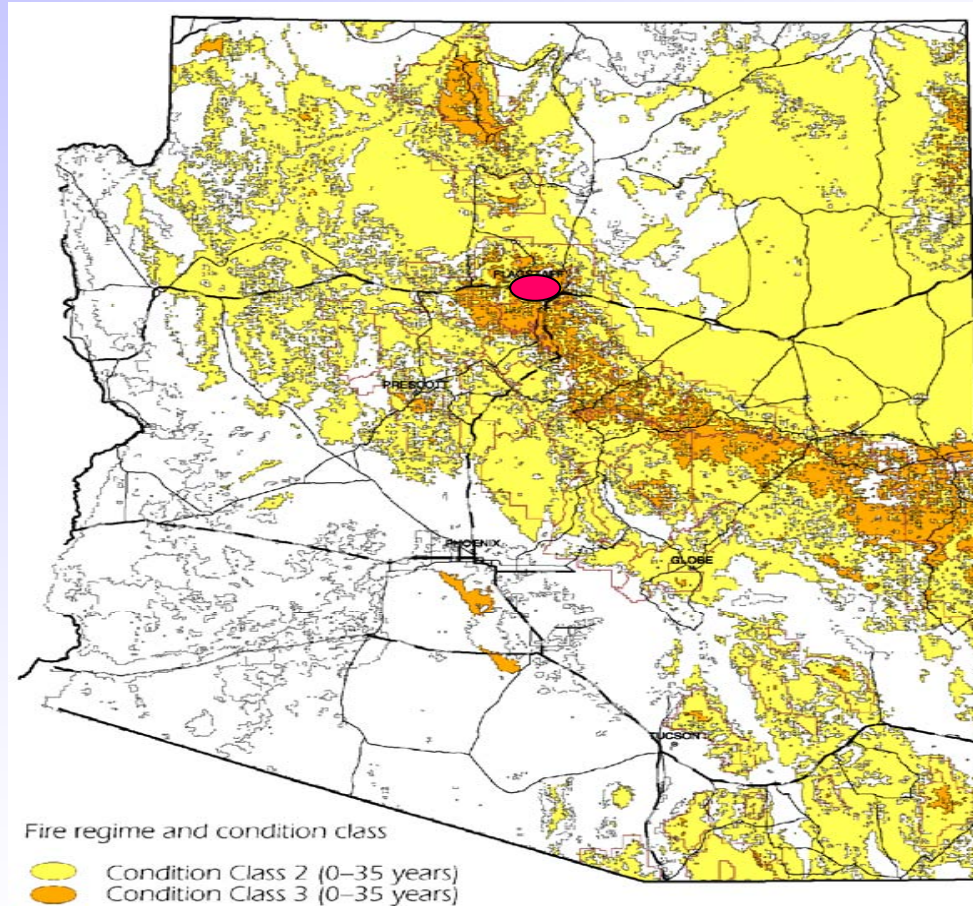
# Current Forest Density



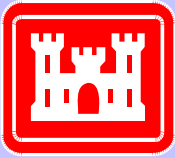


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# Forest Condition Classes



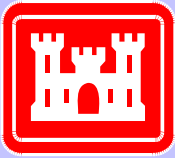
**Indicating  
susceptibility  
to fire  
damage  
and need  
for  
thinning**



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# Pre-thinning Condition

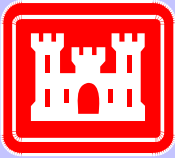




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# After Thinning



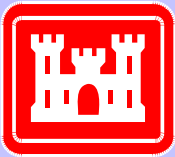


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# Opportunities in Harvest and Utilization



- Abundant supply of small diameter timber & woody biomass
- Many acres already processed through environmental review
- Supportive political climate at the local, state and national level
- New state & national fuel credits for small wood/biomass transport
- By-products and logging slash can be used for wood pellets & feedstock for energy generation & biofuels
- Robust home construction throughout the region



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# Products and Markets



"Gluelam" beams and "I" joists

Post and pole



Dip diffusion



Bioenergy



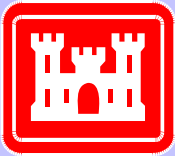
Roundwood  
construction

Furniture and  
paneling



Pellet fuel

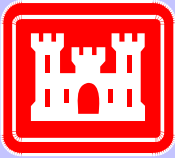




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# New Small Diameter Sawmill in Eager, AZ





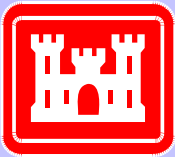
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# Manufacture of Wood Heating Pellets



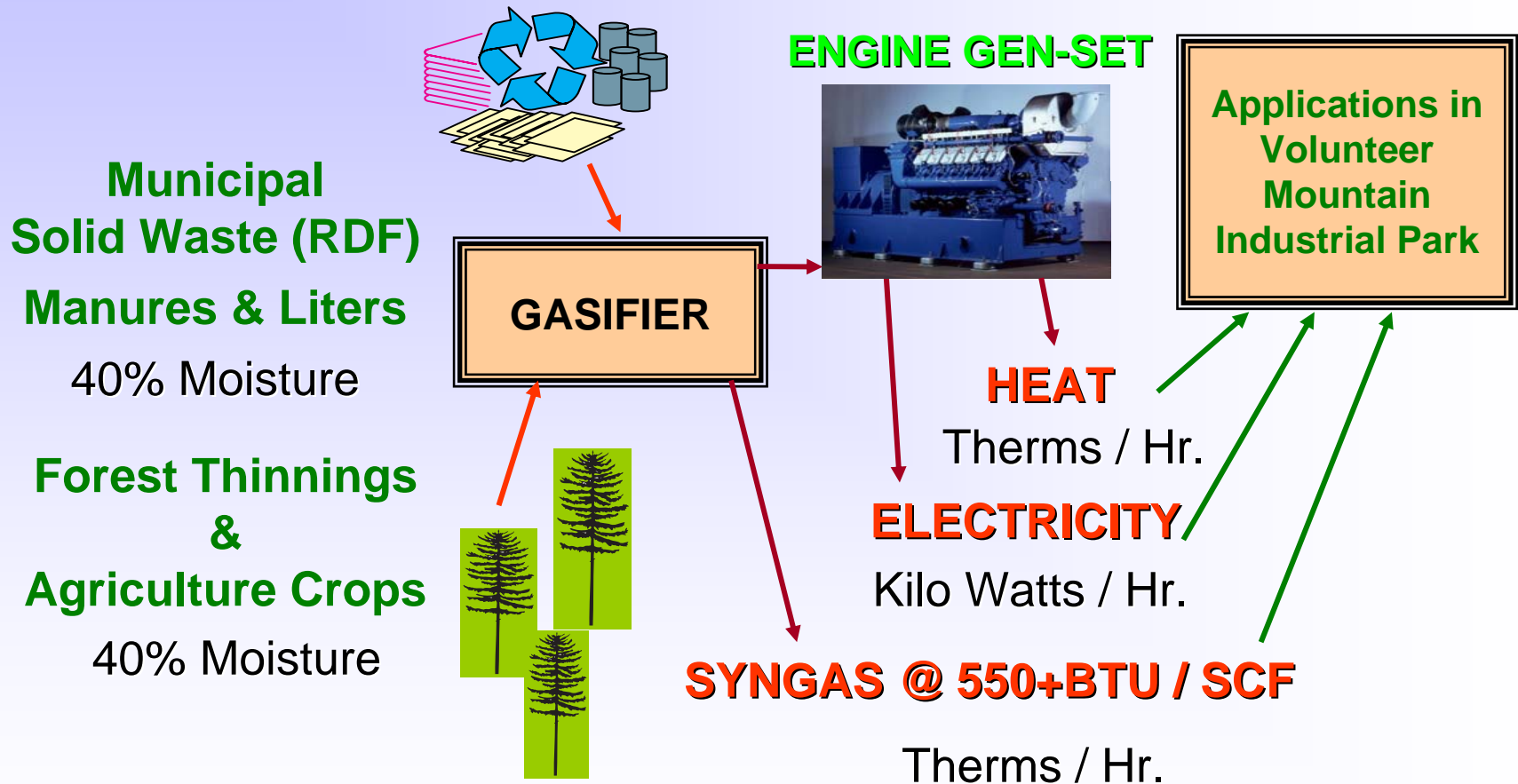
- Providing heat to 25,000+ homes in the Southwest
- Annual Energy Produced equivalent to Annual Output of a 35MW power plant
- Providing high performing animal beddings for the horse and livestock industries
- Providing litter that truly controls cat and small animal odors
- Current Direct Employment - 25
- Would like to build new commercial pellet plant in N. AZ

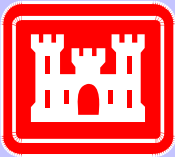




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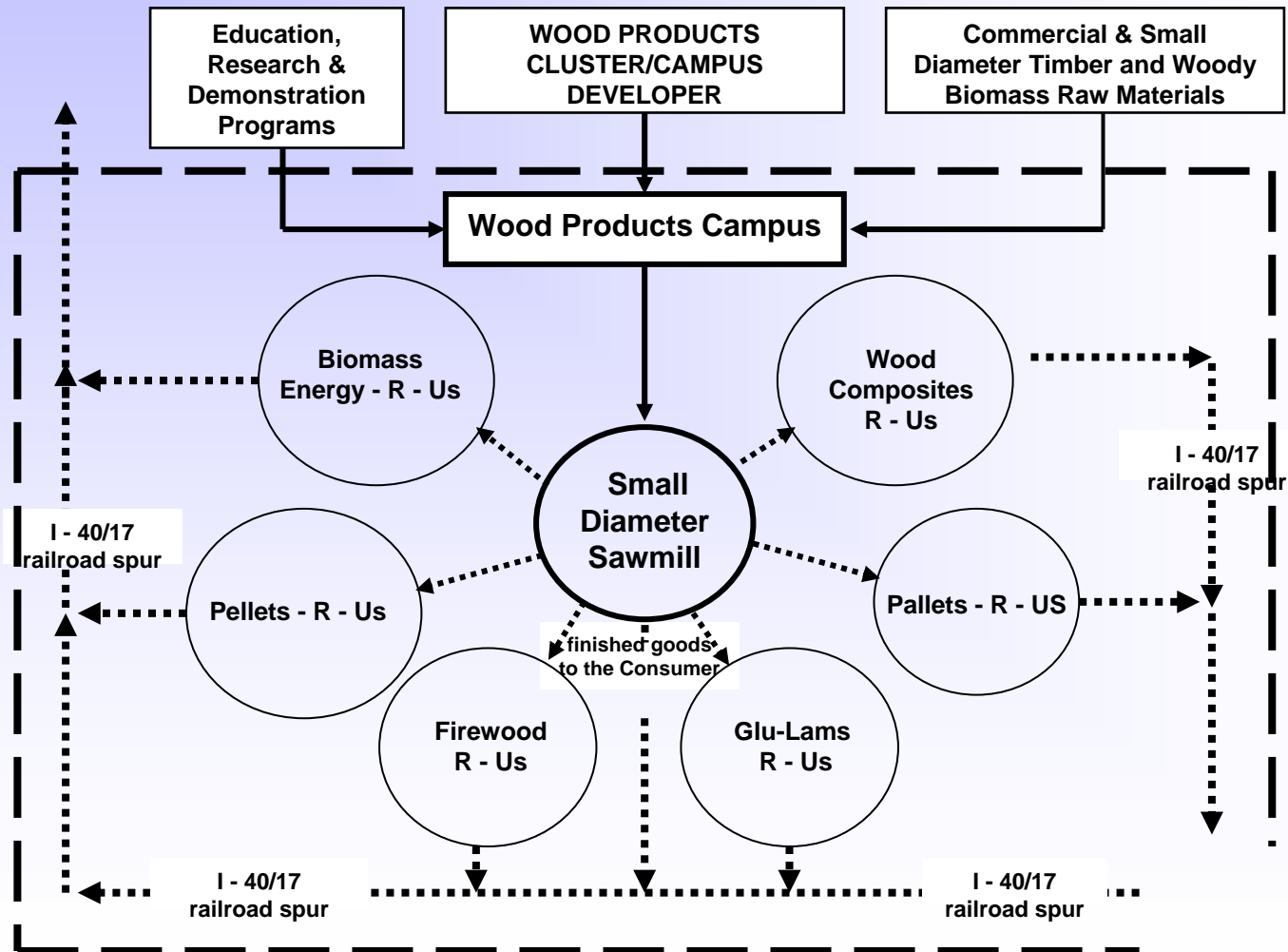
# Biomass Power Projects





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# Wood Products Campus





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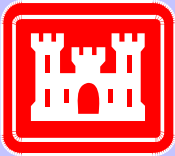
# Opportunities in Forest Products



## Integrated forest products cluster

- **Complementary:** One plant's waste is another plant's input
- **Provides greater cost efficiency** for transportation of raw materials
- **Anchor sawmill** provides catalyst for co-location of related enterprises
- **Biomass** energy plant can provide electricity & syngas for industrial park





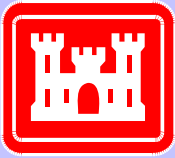
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# Opportunities in Forest Products (con't)



## Camp Navajo – Volunteer Mountain Industrial Park

- Central location to much of the regional supply
- Ready access to workforce
- Substantial utilities capabilities and existing infrastructure
- Internal and external rail access
- Ready access to Interstate-40
- Available acreage and gentle terrain
- Surrounded by National Forest



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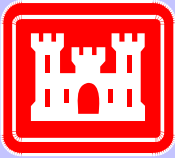
# Putting the Pieces Together — Together



- **Camp Navajo/Volunteer Mountain Industrial Park & Department of Defense Enhanced Use Leasing Program Site Developer**
- **Greater Flagstaff Forests Partnership – 23 academic, conservation, business and governmental entities; Utilization & Economics Team**
- **Greater Flagstaff Economic Council – economic development for local government**
- **Sawmill operator and wood products producers**
- **Forest Energy, LLC – wood pellet plant**
- **Advanced Concept Technologies, LLC – biomass energy & biofuels**
- **Northern Arizona University – education & research**

**Greater Flagstaff Forests  
Partnership**  
1300 South Milton Rd, Suite 218  
Flagstaff, AZ 86001  
928/226-0644  
[steveg@gffp.org](mailto:steveg@gffp.org)

**Ecological Restoration Institute  
Northern Arizona University**  
P.O. Box 15017  
Flagstaff, AZ 86011  
928/523-7854  
[diane.vosick@nau.edu](mailto:diane.vosick@nau.edu)



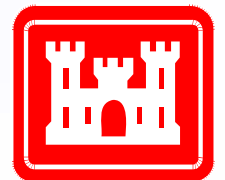
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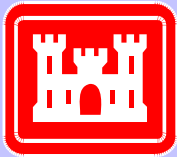
# EUL Program & Procurement

**Bob Penn, US Army Corps of  
Engineers, Baltimore Division**

**Rod Chavez, US Army Corps of  
Engineers, Baltimore Division**



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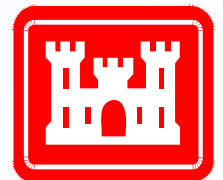


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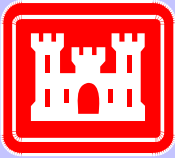
# What is Enhanced Use Leasing?



- **Enhanced Use Leasing is a new tool in the military's arsenal providing an alternative to traditional approaches of acquiring, constructing or upgrading facilities**
- **It leverages DoD assets that are currently available, but not excess to the Military's needs**
- **Government receives rent in cash and/or in-kind services no-less-than FMV of asset**



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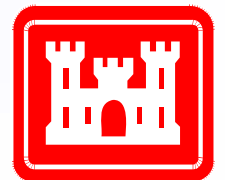
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# Enhanced Use Leasing

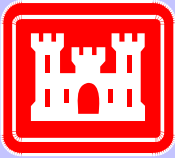


**Title 10 USC § 2667 gives Military Departments authority to:**

- **Enter into long-term or short-term leases, providing greater flexibility for facility reuse**
- **Lease land and/or buildings**
- **Receive income on leased property, which can be used to fund other new construction and does not have to be invested in the leased property**



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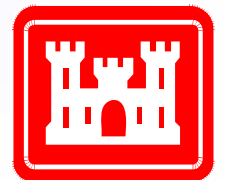


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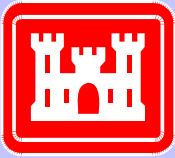
# Why Does Army Lease?



- **Off-set declining Operation & Maintenance budgets**
- **Attract tenants who are synergistic with the installation's mission**
- **Avoid cost of maintaining or razing old buildings**
- **Free-up space for new goals and objectives**



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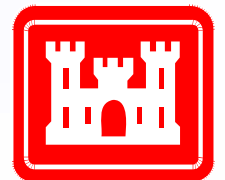


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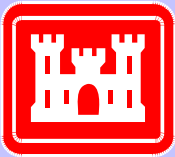
# How Does Army Lease?



- **Competitive (Advertising) Process**
- **Source Selection Process**
- **Negotiation Process**



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# Program Description



Identify  
Available  
Non-Excess  
Assets

Perform  
Market/Feasibility  
Study

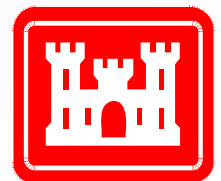
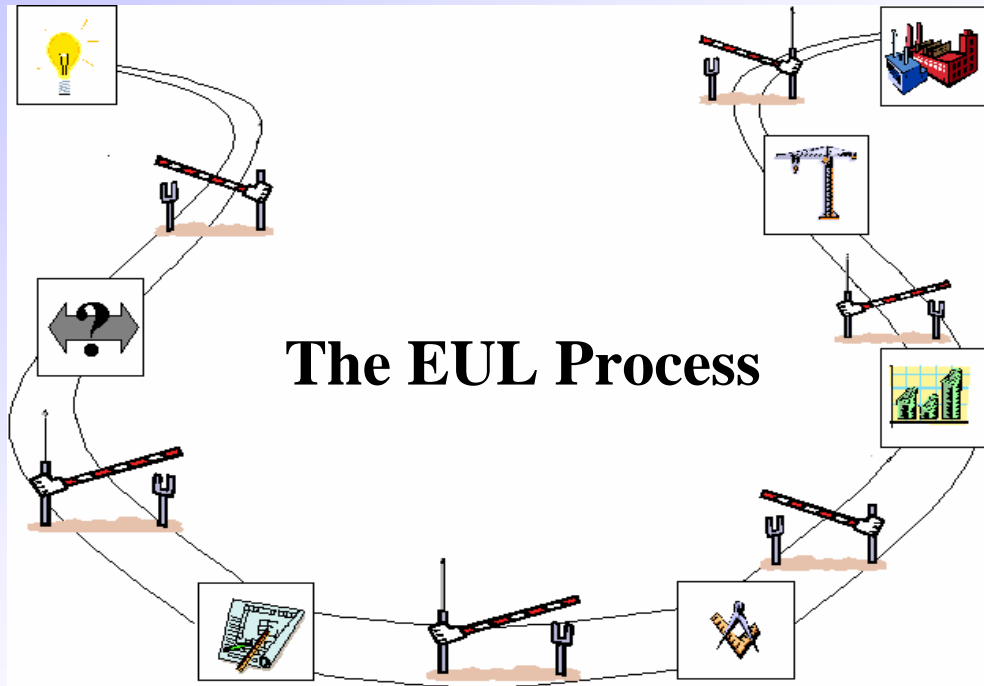
Develop  
NOL/RFQ

Evaluate  
Proposals

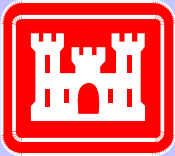
Finalize & Close  
With Developer

Develop  
Business &  
Leasing Plan

## The EUL Process



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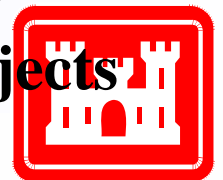
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# Benefits of EUL for Private Sector

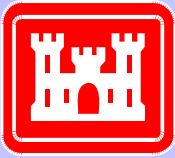


“The promise of win-win dealings rarely  
looked so achievable” – EUL developer quote

- ***Market Rate Returns:*** Developer captures market rates of return on design, construction, maintenance, leasing/sales, and property management activities
- ***Long-Term Relationship:*** Ground lease for assets is up to 50 years
- ***Efficient Developer Selection Process:*** Approach is to minimize time and effort of bringing a development entity on board to perform work
- ***Growing Program:*** DoD EUL program is in its early development stages, anticipation of many more projects across the country



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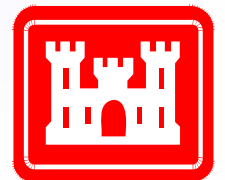


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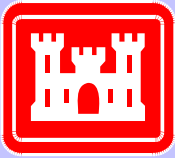
# Benefits of EUL to Army



- **Unleashes captive value from property**
- **Provides for needed development**
- **Attracts synergistic tenants who complement missions at Camp Navajo**
- **Supplements under-funded O&M**
- **Provides in-kind funding source for needed and unfunded capital improvements**
- **Stimulates local job market**
- **Improves community relations**



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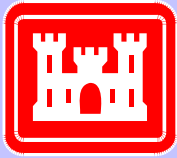
# What Does the Deal Look Like?



- **Army Goal – Maximize land rent by mirroring a private sector transaction**
- **Developer Teams**
- **Think Real Estate!**



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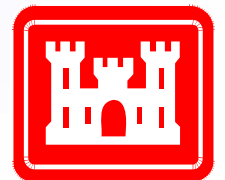


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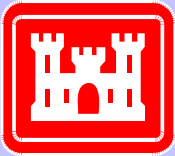
# Overview of the Solicitation Process



- **Description of Solicitation Plan**
- **Notice of Opportunity to Lease (NOL)**
- **Overview of Evaluation Criteria**
- **Overview of Evaluation Process**
- **Lessons Learned for NOL Application Submittal**
- **Anticipated Milestones & Next Steps**



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# Description of Solicitation Plan



1. Prepare draft NOL  
and issue pre-  
solicitation document

2. Solicit industry  
interest and conduct  
Industry Forum

3. Finalize NOL and  
issue to Offerors

4. Receive and evaluate  
proposals

5. Determine  
competitive range/select  
Successful Offeror

6. Partnering session  
with Government and  
Developer

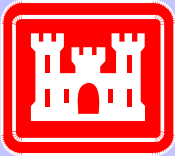
7. Developer creates  
business and leasing  
plan for Government  
review

8. Government reviews  
and edits business and  
leasing plan

9. Developer and  
Government sign lease



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# Description of Notice of Opportunity to Lease (NOL)



**Determining "Best Value" for the  
Department of the Army and National  
Guard**

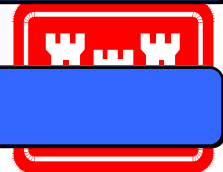
Proposal Review Process

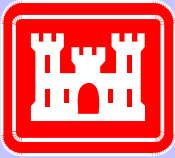
Evaluation Criteria for Solicitation

Description of Real Estate Assets

Army National Guard Project Vision and Goals

Description of Enhanced Use Leasing Authority





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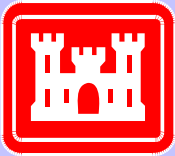
# Overview of Evaluation Criteria



Factor	Description
1. Relevant Experience/Past Performance	<ul style="list-style-type: none"><li>• Experience with Comparable Projects</li><li>• Objective Assessment of Prior Performance</li></ul>
2. Financial	<ul style="list-style-type: none"><li>•Return Expectations</li><li>•Financial Capabilities</li></ul>
3. Development Plan	<ul style="list-style-type: none"><li>•Understanding of Requirements</li><li>•Proposed Concept and Vision</li></ul>
4. Marketing Plan	<ul style="list-style-type: none"><li>•Analyze market rents and lease terms</li><li>•Pro-forma development cash flows</li></ul>
5. Plant Management/Maintenance	<ul style="list-style-type: none"><li>•Relevant Experience Managing Projects</li><li>•Envisioned Management Plan for Camp Navajo</li></ul>
6. Capabilities/Qualifications	<ul style="list-style-type: none"><li>•Staffing Plan</li><li>•Key Personnel</li><li>•Organizational Approach</li></ul>
7. Achievement of Army Goals	<ul style="list-style-type: none"><li>•Understanding of Army's Objectives for Project</li></ul>
8. Experience with Community Relations	<ul style="list-style-type: none"><li>•Experience with Community Partners</li><li>•Envisioned Community Approach</li></ul>



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# Overview of Evaluation Criteria

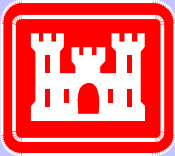


## Each Factor Receives Factor Rating...

Factor Rating	Description
<b>Exceptional (+)</b>	The offeror has addressed substantially all of the elements in this factor in a manner that demonstrates superior added value above a satisfactory response for substantially all of the elements.
<b>Exceptional</b>	The offeror has addressed many of the elements of this factor in a manner that demonstrates superior added value above a satisfactory response and has addressed substantially all of the remaining elements in this factor in a manner that demonstrates high added value above a satisfactory response.
<b>Acceptable (+)</b>	The offeror has addressed many of the elements of this factor in a manner that demonstrates some added value above a satisfactory response and has addressed substantially all of the remaining elements in this factor in a manner that demonstrates a satisfactory response.
<b>Acceptable</b>	The offeror has addressed substantially all of the elements in this factor in a satisfactory manner.
<b>Unacceptable</b>	The offeror has failed to address substantially all of the elements of this factor in a satisfactory manner or has simply failed to address substantially all of the elements in this factor.



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# Overview of Evaluation Criteria (cont'd)

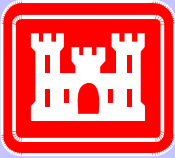


## ... And Factor Risk Rating

Factor Risk Rating	Description
<b>Low Risk</b>	Any weaknesses identified by the evaluators in the experience, approach, capabilities, and/or past performance record of the Developer have little potential to cause disruption to the planning and implementation phases. Normal contractor/government effort and monitoring will probably minimize any difficulties.
<b>Moderate Risk</b>	These are weaknesses identified by the evaluators in the experience, approach, capabilities, and/or past performance record of the Developer that can potentially cause disruption to the planning and implementation phases. Special contractor/government emphasis and close monitoring will probably minimize any difficulties.
<b>High Risk</b>	These are weaknesses identified by the evaluators in the experience, approach, capabilities, and/or past performance record of the Developer that have the potential to cause significant disruption to the planning and implementation phases even with special contractor/government emphasis and close monitoring.



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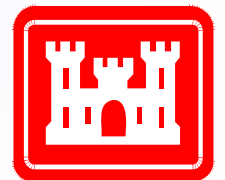


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# Lessons Learned NOL Application



- **Include all required information and requested data asked for in the solicitation. When in doubt.....ask!**
- **Review submittal for compliance with all requirements including page limitations and font size. Pages over page count limitations will be excluded.**
- **Be specific when describing past performance and experiences (i.e. clear descriptions of projects completed). Do not make the evaluation team have to “interpret” proposal submittal!**
- **Acceptable to include company brochures and websites as background, however, no guarantee they will be evaluated**



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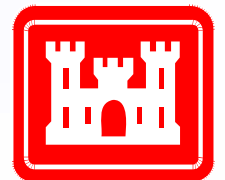


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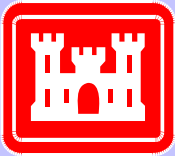
# Lessons Learned NOL Application (cont'd)



- **Be prepared for oral presentations**
- **Put best foot forward during this stage....don't expect another bite at the apple**
- **Army expects a world-class developer to supply a State-of-the-Art project!**
- **NOL draft and final version downloadable from web at <http://eul.army.mil/Navajo/draftNOL12-05.pdf>**



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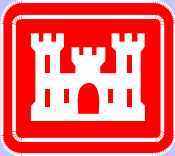
# Anticipated Project Milestones



<b>Milestones</b>	<b>Current Schedule (Subject to Change)</b>
<b>Draft NOL Issued</b>	<b>December 2005</b>
<b>Industry Forum</b>	<b>31 January 2006</b>
<b>Final NOL Issued</b>	<b>3 February 2006</b>
<b>Proposals Due</b>	<b>2 March 2006</b>
<b>Successful Offeror Selected</b>	<b>15 April 2006</b>
<b>B&amp;L Plan Finalized</b>	<b>10 September 2006</b>
<b>Execute Lease with Developer</b>	<b>20 October 2006</b>
<b>Construction Begins</b>	<b>Fall 2006</b>



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# Upcoming Process



## How to stay plugged in!!

**<http://eul.army.mil/Navajo>**

**Bob Penn**

**410-962-3000**

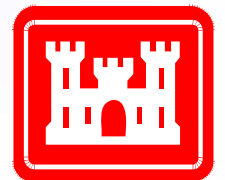
**Bob.Penn@nab02.usace.army.mil**

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**Rod Chavez**

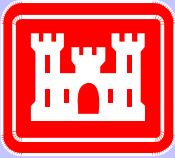
**410-962-4925**

**Roderick.Chavez@usace.army.mil**



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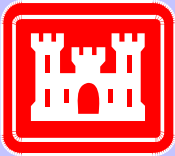




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# Q & A



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# Conclusion



**THANK YOU FOR YOUR  
PARTICIPATION**

**PLEASE COMPLETE THE EVALUATION  
FORM AND DROP IT OFF AT THE  
REGISTRATION DESK OR  
FAX TO (410) 962-0866**